



# Middle-East JOURNAL OF BUSINESS

**July 2016**  
**Volume 11, Issue 3**

**ISSN 1834-8777**

International Editor and Publisher:  
Ms Lesley Pocock  
medi+WORLD International  
Email:  
lesleypocock@mediworld.com.au

**Editor:**  
Abdulrazak Abyad  
MD, MPH, AGSF, AFCHSE  
Email: aabyad@cyberia.net.lb

Associate Editor  
Eric Van Genderen  
Email:  
EricVanGenderen@mejb.com

**Advertising enquiries:**  
lesleypocock@mediworld.com.au

While all efforts have been made to ensure the accuracy of the information in this journal, opinions expressed are those of the authors and do not necessarily reflect the views of The Publishers, Editor or the Editorial Board. The publishers, Editor and Editorial Board cannot be held responsible for errors or any consequences arising from the use of information contained in this journal; or the views and opinions expressed. Publication of any advertisements does not constitute any endorsement by the Publishers and Editors of the product advertised.

The contents of this journal are copyright. Apart from any fair dealing for purposes of private study, research, criticism or review, as permitted under the Australian Copyright Act, no part of this program may be reproduced without the permission of the publisher.

*With a focus on Ethical and Sustainable Business*

## **Editorial**

- 2 Editorial - The Shame of Slavery  
*Lesley Pocock*

## **Business**

- 3 Behavioral Biases And Their Impact On The Satisfaction Of The Investor: A Case Of Small Investors Of Lahore Stock Exchange  
*Muhammad Asif*
- 12 Worker, Work and Work Dynamics  
*Fazal Haleem*
- 18 Retention of knowledge within the private sector organizations in the Kingdom of Saudi Arabia  
*Alshanbri, N., Khalfan, M., Maqsood, T.*

## **Special report on Slavery and the Human condition**

- 32 The emerging epidemiology of human trafficking and modern slavery  
*Mohsen Rezaeian*
- 37 The Business of Slavery  
*Lesley Pocock*

## **The Wider View**

- 42 Evolution  
*Omar Abyad*
- 44 The New Human Universe  
*Jim Anderson*
- 51 Poetry: Slavery and ran away to freedom  
*Ebtisam Elghblawi*

## From the Editor

### Editorial: The shame of slavery



**45.8 million slaves in 2016; 33 per cent of our slaves are children; 49 per cent (nearly half) of our slaves are women**

Our theme this month is Slavery and the Human Condition.

The Global Slavery Index, issued on June 1, 2016 provides not only a snapshot of world business and labour conditions, it also provides a snapshot of human society, that which has brought about our current values generally and our treatment of labour forces and fellow human beings as commodities and as a market to exploit. It is not a pretty picture at all and obviously we have not progressed since earlier barbaric times. It seems humans still have the propensity to take what they can for themselves and exploit others in doing so.

It is not surprising therefore that our very planet is now groaning under these excesses of the plague of us, the so called-higher order creatures, on its surface. The planet too has been treated as a commodity. Not many will disagree that we are now at the brink of total destruction and the human population generally is impotent and in despair.

All our papers this month look at the place and role of people in business and show that the human condition is very much a part of the world of business in good ways and bad.

We will have to turn to the philosophers, the fair minded religions and trusted law makers and civil servants to bring

some decency and order to bear even at this late hour. We need to also call ourselves to order.

Accordingly we also include in this issue several philosophical pieces looking at the human condition which has generated our current ethos. One from a young man looking ahead at the planet and life that he will inherit and one from an older man, looking back and trying to find a reason and some hope for the future. Both deal with aspects of human evolution and show that human life and activity is not divorced from our philosophy and values, rather it reflects them.

Therefore as a community and a business community we need to re-evaluate all that we do and how we do it and maybe think of the boy above and those 15,000,000 child slaves like him next time you enjoy your cheap coffee and piece of chocolate at the expense of his life and chance of any happiness.

Lesley Pocock  
Chief Editor  
Macleay Island  
Australia  
Email: [lesleypocock@mediworld.com.au](mailto:lesleypocock@mediworld.com.au)

# Behavioral Biases And Their Impact On The Satisfaction Of The Investor: A Case Of Small Investors Of Lahore Stock Exchange

**Muhammad Asif**

**Correspondence:**

Muhammad Asif,

Senior Accountant, Sheikh Zayed Medical College  
Hospital, Rahim Yar Khan.

PhD of Finance Student

Imperial University of Business Management,  
Lahore

Pakistan

Phone: +92 300 8774498

Email: [muhammadasif.szmc@gmail.com](mailto:muhammadasif.szmc@gmail.com)

## Abstract

Pakistan stock markets are quite volatile and there have been some incidents like the crash of 2008 which call for research in this domain of knowledge so, in order to fill the gap this study tries to see whether behavioral biases exist among the small investors at Lahore Stock Exchange and how these behavioral biases play their role with regard to the investment outcomes of the investors and their relative satisfaction with the outcomes.

Survey methodology was used in the study using questionnaire as data collection tool. The study considers the behavioral biases of overconfidence, overtrading, disposition effect, herding behavior and anchoring and assesses their impact on the satisfaction of the investor with its investment results. Statistical Package for the Social Sciences version-16 (SPSS) was used for analysis and simple descriptive along with the regression analysis techniques are employed to draw inferences from the data.

**Key words:** Overconfidence, Overtrading, Disposition effect, Herd behavior, Anchoring.

## Introduction

Stock market movements are considered a mysterious puzzle in the literature of investment finance as the models and theories proposed to predict such movement have been proved to be ineffective in one way or the other. Efficient Market Hypothesis which has dominated with regard to the pricing of securities in the stock market has also been challenged by behavioral finance proponents and discussion on the topic has moved from the rationality of the investors to the behavioral biases that could provoke irrationality among the investors and thus, market may deviate from its actual value.

Pakistan is a developing economy with Stock Markets which are relatively small as compared to the stock markets of the developed economies. Yet, Pakistani stock markets have performed well in the past and Karachi Stock Exchange was awarded 'Best Performing Stock Market of the Emerging Markets' - 'many times in the last decade. But this stock market is allegedly said to be volatile and in 2008 Pakistani stock markets witnessed the worst crash in their history which resulted in a loss of \$36.9 billion in just four months. KSE100 index also nosedived and lost more than 2/3rds of its point during that period. And now after five years, stock markets in Pakistan are setting new records and indexes have crossed many psychological barriers and all of this is despite rising inflation, sluggish economic growth, electricity problems, political uncertainty and ongoing war on terrorism. Stock markets provide a mechanism for channelization of the savings of people, pooling the individualized fund to create wealth and sharing of risk. Moreover, these markets act as a means of fund creation for the firms comparatively at a lower cost as compared to other sources of financing.

The importance of a well-established stock market in the development of the economy of any country is a well documented debate. Stock markets provide a mechanism for channelization of the savings of people, pooling the individualized fund to create wealth and sharing of risk. Moreover,



these markets act as a mean of fund creation for the firms comparatively at a lower cost as compared to other sources of financing. Stock markets provide two types of functions: the first is to bridge the gap between firms needing the capital investments and individuals willing to invest their savings and the second is to provide a market place for trading of the stocks of the firms in a way to ensure the liquidity of the investments made by the investors, while prices in the stock markets are determined by the demand and supply forces. Furthermore, stock markets ensure flow of the relevant information from corporate sector to the general public and investors, as to facilitate the investors for better evaluation and pricing of a particular stock. Theoretically, stock markets function in a way that every piece of relevant information is exhibited in the value of the stocks at a given point in time.

Apart from that development of stock market is considered as an indicator of the financial development of any economy which in turn has potential to accelerate economic prosperity of that economy by boosting domestic saving at public level and increasing quality and quantity of the investments. Economic growth is supported by the stock markets in a sense that these markets ensure that growing corporation get adequate long term finance at lower costs. Moreover, a developed stock market reduces the dependency of the corporations on the loan financing from the banks that in turn could reduce the risk of credit crunch and related financial difficulties for the economy. So proper functioning of the stock markets is very much important in a mechanized and systematic way in order to ensure that not only money of the individual investor is protected but also so that the business and financial sector could flourish and sustain economic development of the country.

### Literature Review

This literature review provides an overview of the literature on the behavioral finance and related concept in order to provide a theoretical view and discussion on the phenomenon as to better grasp the issues of behavioral finance.

Overconfidence in the context of behavioral finance is defined as unrelenting over-valuation of one's own investment decision. Overconfidence increases as one makes a less accurate investment decision i.e. deviates from optimal investment opportunity and it decreases as one perceives investment to be more risky i.e. increase in uncertainty (Dittrich, Güth, & Maciejovsky, 2005).

All the models which assume that overconfidence exists argue that overconfident traders trade excessively and males are more susceptible to overconfidence than females and overconfident males' trade more than overconfident females and get smaller returns as compared to females. This gender behavior is more prominent in singles (Barber & Odean, 2001).

(Johnson & Fowler, 2011), provided that over confidence is a decision making error which leads towards the over estimation of one's abilities and capabilities. It may be of value in some cases such as in sports, job performance, combat and mental health but in other cases it surely yields negative results such as wars, disasters, policy failures, financial collapse

and market bubbles. They argued that overconfident people tend to make more challenges, particularly in case of uncertainty, while people who are less confident may avoid conflict and that could also lead towards their failure in a particular conflict that might win. They also posited that people could not gauge their abilities in a true, unbiased and rational way and overconfidence persists in the society at larger particularly in finance, business and politics, despite the fact that this overconfidence occasionally leads towards disaster.

(Hall, Ariss, & Todorov, 2005) found that confidence increases as more information becomes available; They conducted some experiments and empirically proved that people tend to overlook statistics when favorable information is available to them but this reduces the accuracy of prediction giving other than expected results.

Psychological literature relates the illusion of control with the very common classes of egocentric biases like overconfidence and unrealistic optimism and it is basically assigning inappropriately higher probability to chances of your success than actual probability would warrant. Feelings of skill and competence work as the major sources for the illusion of control to exist. However, there are situations where illusion of control is not as persistent (Fellner, 2004).

A person who is self-deceiving himself has two differing views about anything. He believes that both exist at the same time. He is ignorant to the fact that there is only one viewpoint about anything whether it is or it is not but he is motivated to stick to what he thinks. It has similarity with the interpersonal deception where one intentionally deceives others. The point highlighted by interpersonal analogy is difference between a belief which is reached by error and the one which is intentionally made to be believed (Gur & Sackeim, 1979).

Anchoring is an intuitive approach that helps people save time spend in calculations especially for investment purposes. People promptly respond to a situation they know they have previously faced. These responses are determined by themselves or adapted from some outside resource. There are some situations where people think that they have some sort of expertise regarding some issue and so rely on their own and where they feel they have some weakness they tried to avoid the situation and respond less. In both extremes there is a higher level of anchoring (Epley & Gilovich, 2010).

Investors disregard their own information and start following the other investors' investment decisions taken by them in some specific time. By monitoring their actions the presence and impact of herding can be observed (Cipriani & Guarino, 2005).

### Problem statement

This study aims at exploring the behavioral biases of the small investors in Lahore Stock Exchange in order to determine the impact of these behavioral biases on the investment performance and relative satisfaction of the investors with that performance.

## Research Design

### Participants:

The study aimed to assess the investment behavior of the small investors at Lahore Stock Exchange. Small investor in this regard is an investor who is not an institutional investor and whose primary activity is not stock trading. Thus, all the small investors who trade at Lahore Stock Exchange constitute the population of the study. Snowball sampling was used in this study and a sample of 180 respondents was drawn. The researcher personally visited the Lahore Stock Exchange and visited stock brokers and requested them to refer the researcher to investors after explaining the purpose of the study to the brokers.

### Data Collection:

Survey methodology mostly relies on one of the two basic tools of data collection i.e. questionnaires and interviews. The questionnaire was adopted from Shaukat (2011) who conducted the same type of study on Karachi Stock Exchange.

### Data Analysis:

In order to provide description of the sample characteristics i.e. demographics and investment preferences, frequency distribution tables along with the bar charts are used in the study. Description on the variables of the study i.e. overconfidence, herding behavior, anchoring and satisfaction with trading is provided through mean and standard deviation except disposition effect from which again frequency distribution and graph is used as a means of description. After description of the variables regression is used to test the relationship among the variables.

Two regressions are run; the first regression assesses the impact of overconfidence on trading volume of the respondents as to whether overconfident respondents have tendency to overtrade or not. The second regression predicts the investment satisfaction of the respondents with their investment results through predictors of overtrading, herding behavior, anchoring and disposition effect.

### Instrumentation:

The questionnaire was constructed in close ended format in which main behaviors of the investors which are over confidence, herding behavior, anchoring and satisfaction were

measured using five points. The variable of over confidence contained 9 items and had a reliability score of .91 which was calculated using Cronbach's Alpha. The second variable of the study was herding behavior which had three items and Cronbach's Alpha's value of .80. The third variable anchoring also had three items and its reliability score using Cronbach's Alpha was .67. The scale is said to be reliable if its value of Cronbach's Alpha surpasses value of .6. So, all these three scales were reliable. The main dependent variable of the study was satisfaction of the investor with trading results which was measured directly through one statement asking respondents to provide their satisfaction with regard to their investment activity on a 5 point Likert scale. Disposition effect was measured by asking respondents if in case of uncertainty whether they prefer to sell stock which has yielded a profit or the stock which has yielded a loss. Trading activity was measured by asking the respondents to provide their trading volume on predefined categories constructed through class limits. Apart from these variables and demographical and investment characteristics section was also included in the study. The demographical section asked respondents to provide their demographical details such as gender, age, education, income and occupation while the investment section asked respondents about their investment preference for company type if it is multinational or national, trade volume and amount of investment in the stocks. The questionnaire was adopted from Shaukat (2011) who conducted the same type of study on Karachi Stock Exchange.

## Description of behavioral biases of the respondents

This part of the analysis provides the description of the variables of the study which represent the behavior of the respondents in the stock market. These behaviors are related to the disposition effect, over confidence, herding behavior, anchoring and satisfaction of the respondents with the results. Following is the discussion related to these behaviors. Disposition effect is discussed with the help of frequency distribution table and bar chart while remaining behaviors are explained by the descriptive of mean and standard deviation.

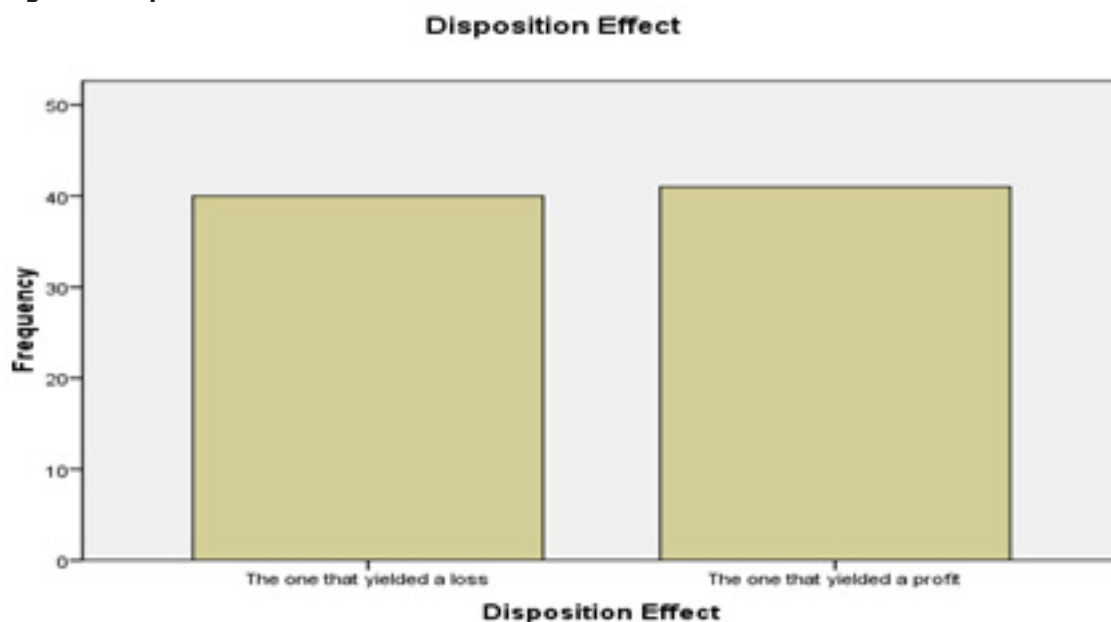
Table 1 below provides the results of the investor's tendency to fall under disposition effect which propose that in a period of uncertainty, investors are likely to sell securities which have yielded a profit and retain those that have yielded a loss, thus realizing the gains and avoiding recognizing the losses. Respondents were asked if in a period of uncertainty which security would they prefer to sell and almost half of the respondents replied that they would like to sell a security which

**Table 1: Disposition Effect**

	Frequency	Percent	Cumulative Percent
The one that yielded a loss	40	49.4	49.4
The one that yielded a profit	41	50.6	100.0
Total	81	100.0	

have yielded a profit and retain those that have yielded a loss, thus realizing the gains and avoiding recognizing the losses. Respondents were asked if in a period of uncertainty which security would they prefer to sell and almost half of the respondents replied that they would like to sell a security which has yielded a profit (41 respondents) while the other half of the respondents (40 respondents) said that they would like to sell the security which yielded a loss. Although half of the respondents show tendency of disposition effect, but overall the results are mixed. This would further be probed in the following section while establishing the satisfaction of the respondents with regard to their investment results as whether disposition effect somehow contributes towards the dissatisfaction of the respondents or not. The following graph provides the pictorial representation of the behavior of the respondents with regard to disposition effect.

**Figure 1: Disposition effect**



**Table 2: Behavioral biases of respondents**

	N	Mean	Std. Deviation
Over Confidence	81	3.4883	.70704
Herding Behavior	81	3.5432	.79834
Anchoring	81	3.4815	.64118
Satisfaction with Trading Results	81	3.0000	.93541
Valid N (list wise)	81		

Table 2 provides descriptive statistics for the behavioral biases and investment satisfaction of the respondents. These biases also represent the variables of the study and were measured on a five points Likert scale. Overconfidence is the first behavioral bias of the respondents which entails that small investors overestimate their abilities or reliability of the information so as to make wrong investment decisions. The mean value of the over confidence is 3.4883 which is above 3 indicating that on average investors in Lahore Stock Exchange are moderately overconfident. The standard deviation for this variable was .70704 which indicates towards the inter-response variability of respondents. The second behavioral bias is related to the herding behavior which is a tendency of the respondents to chase trends in the stock market. Variables of herding behavior yielded a mean value of 3.5432 along with a standard deviation of .79834 indicating that trend chasing is also prevalent among the small investors in Lahore Stock Exchange. The next behavioral bias of small investors which is included in the study is anchoring which is a tendency of the respondent to make investment decisions and judgments without considering proper information on bases of some rule of thumb or criteria which is not rational. Mean value for anchoring is 3.4815 along with standard deviation of .64118. The mean for anchoring is above 3 which indicates that on average small investors in Lahore Stock Exchange fall to the anchoring behavior and make investment decisions on wrong and irrational criteria. Investors included in the study were also asked to rank their overall satisfaction with their investment performance on a scale of 1 to 5. The mean for this variable was found to be an exact

3 along with a standard deviation of .93541 which entails that in the average investors of Lahore Stock Market are unsure as to whether their investments in the Lahore Stock Exchange have performed well or not. This would play out as main dependent variable of the study which would be probed as to see whether behavioral biases have anything to do with the investment performance and relative satisfaction of small investors.

### Impact of over-confidence on trading behavior

This part of the analysis provides the impact of overconfidence on the trading behavior of the respondents. Theory suggested a positive impact of overconfidence on the trading of the investors and investors who are more confident are said to have a behavior of overtrading. Following regression analysis provides evidence to this phenomenon:

**Table 3: Model summary: Impact of overconfidence on trading behavior:**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.532 <sup>a</sup>	.283	.274	.82125

a. Predictors: (Constant), Over Confidence

Table 3 provides the model summary for the impact of overconfidence on the trading behavior of the respondents. The model yielded a R Square value of .283 which entails that almost 28% of variation in the trading behavior of investors is predicted by the overconfidence; Adjusted R Square of the model is .274.

**Table 4: ANOVA: Impact of overconfidence on trading behavior:**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	21.039	1	21.039	31.194	.000 <sup>a</sup>
	Residual	53.282	79	.674		
	Total	74.321	80			

a. Predictors: (Constant), Over Confidence

b. Dependent Variable: Volume of Trade

Table 4 provides the ANOVA table which entails the goodness of fit of the model. F-statistic as provided by ANOVA table is 31.194 which indicated that the model is a good fit at 1% level of significance.

**Table 5: Coefficients: Impact of overconfidence on trading behavior:**

Model		Unstandardized Coefficients		Standardized Coefficients	
		B	Std. Error	Beta	t
1	(Constant)	.124	.462		.269
	Over Confidence	.725	.130	.532	5.585

a. Dependent Variable: Volume of Trade



Table 6 provides the regression results of the impact of overconfidence on trading behavior of the respondents. Volume of trade is a dependent variable of the model and overconfidence is a dependent variable. Beta coefficient of overconfidence for volume of trade is .752 along with a t-statistic of 5.585 which indicates that there is a positive and significant impact of overconfidence on volume of trade. Thus, this analysis establishes that overconfidence causes investors to over trade in the Lahore Stock Market.

#### Impact of behavioral biases on the satisfaction with investment results:

This part of the analysis analyzes the impact of behavioral biases i.e. disposition effect, herding behavior, anchoring behavior and overtrading on the satisfaction of investors with their satisfaction for their investment results. The following regression analysis provides evidence on that:

**Table 6: Model summary: Impact of behavioral biases on satisfaction with investment results:**

R	R Square	Adjusted R Square	Std. Error of the Estimate
.650 <sup>a</sup>	.423	.392	.72928

Table 6 provides model summary for the impact of behavioral biases on the satisfaction with investment results of respondents. The independent variables considered in the model are disposition effect, volume of trade, herding behavior and anchoring. R Square of the model is found to be .423 which indicates that more than 40% of the variation in the satisfaction with investment results of the small investors is driven by the independent variables which are previously mentioned. Adjusted R Square of the model is .392.

**Table 7: ANOVA: Impact of behavioral biases on satisfaction with investment results:**

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	29.579	4	7.395	13.904	.000 <sup>a</sup>
Residual	40.421	76	.532		
Total	70.000	80			

a. Predictors: (Constant), Disposition Effect, Volume of Trade, Herding Behavior, Anchoring

b. Dependent Variable: Satisfaction with Trading Results

Table 7 provides the ANOVA of model which predicts satisfaction of small investors with trading results through disposition effect, volume of trade, herding behavior and anchoring. ANOVA provides the measure of goodness of fit of model. F-statistic of the overall model is 13.904 which indicate that the model is a good fit on 1% level of significance.

**Table 8: Coefficients: Impact of behavioral biases on satisfaction with investment results:**

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	T	
1 (Constant)	3.912	.463		8.447	.000
Volume of Trade	-.568	.098	-.585	-5.795	.000
Herding Behavior	-.218	.223	-.186	-.978	.331
Anchoring	.472	.286	.324	1.653	.103
Disposition Effect	-.542	.174	-.291	-3.110	.003

a. Dependent Variable: Satisfaction with Trading Results

Table 8 provides coefficients for the model predicting dependent variable of satisfaction with trading results through independent variables of volume of trade, herding behavior and anchoring and disposition effect. Volume of trading showed a beta coefficient of -.568 with t-statistic of -5.795 entailing that volume of trading has a negative impact on the satisfaction of investors with their trading results. This indicates that overtrading which is caused by the overconfidence could actually lead towards the



dissatisfaction of the investors with regard to their perceptions on the trading activity. The second behavioral bias of herding behavior which was included as a predictor of satisfaction with stock performance provided a beta coefficient of -.218 along with a t-statistic of -.978 indicating towards a negative but insignificant impact of the herding behavior on the satisfaction of the small investor with regard to their stock performance. The third behavioral bias and independent variable of the study was anchoring which provided a beta coefficient of .472 along with a t-statistic of 1.653 indicating that the impact of anchoring on the satisfaction of investors with their trading results is positive but insignificant. The fourth and last behavioral bias and independent variable of the study is the disposition effect which produced a beta coefficient of -.542 along with a t-statistic of -3.110 for satisfaction of investors with trading result, thus; indicating a negative and significant impact of the disposition effect on investor satisfaction on stock performance. This overall entails that two variables i.e. overtrading and disposition effect lead towards the dissatisfaction of the small investors with regard to their investment performance in a significant manner while variables of herding behavior and anchoring do not significantly predict investor satisfaction for their investment activity.

## Conclusion

Lahore Stock Exchange is the second largest stock market of Pakistan and is inherent of all the characteristics of a small stock market of a developing economy. The stock market crash of 2008 left many questions on the efficiency and mechanism of the stock markets in Pakistan. These questions and issues are also consistent with the border questions raised to challenge the theoretical assumptions of the stock markets are investors trading in the stock market really rational? This evidence provides that they are not, at least not of that magnitude that is assumed by the theoretical assumptions of the Efficient Market Hypothesis and related theories. As a result, behavioral dimension of the finance industry has emerged which provides explanations to the irrational behaviors of the investors which cause anomalies in the stock markets. This study in also conducted in this context in order to see if the small investors investing at Lahore Stock Market exhibit some sort of behavioral bias and whether this behavioral bias leads towards the negative satisfaction of the respondents with regard to their investment performance or not.

This study considers behavioral biases of overconfidence, overtrading, herding behavior, anchoring and disposition effect for assessing impact of these variables on the investment satisfaction of the respondents in Lahore Stock exchange using survey methodology and using questionnaire as data collection tool. 81 respondents responded to the questionnaires which are the base of the empirical analysis used in this study.

On the border context this study confirms the prevalence of behavioral biases among the small investors of Lahore Stock exchange. Small investors are prone to overconfidence which also leads towards overtrading behavior. There is also evidence that people indulge in herding behavior and anchoring. Some

evidence on the disposition effect was also found in the study. Overall, only variables of overtrading and disposition effect have a negative and significant impact on the satisfaction of the investors with regard to their investment performance. Other variables of herd behavior and anchoring did not yield a significant relationship in this regard. This might be the general outlook of the market which is performing very well at the current time, so trend chasing or anchoring might yield some gains for the investors at the moment. But overtrading and disposition effect are different biases as overtrading leads towards the significant transaction costs which would actually reduce the profits or enhance the losses of the investors and disposition effect does not have anything to do with the trends as it represents the tendency of the investors to sell a profit yielding security and retain a security which has lost its value.

## Recommendations

This study provides the following recommendations to the small investors in order to improve their investment strategy and be more rational to avoid the dissatisfaction from their investment results:

- Information is the key to evaluate the stock and the stock buy or sell decision could only be triggered in case of when an investor has reliable information and has reflected and analyzed that information in an appropriate manner.
- Investors should avoid overtrading as overtrading yields significant trading costs which could actually be the reason for the losses of the investors.
- Proper diversification of portfolio among different risk bearing securities could reduce the chances of losing all the eggs of investors.
- The Investor should not mourn on the sinking costs and losses and should realize losses and invest in a better security in case of uncertainty so that he does not fall prey to the disposition effect.
- Investors should not use rule of thumb as a principal investment decision making criteria and ensuring of proper evaluation of every stock should be done in order to purchase that stock.
- Chasing trends can be dangerous not only for the individual investor but also for the whole of the market.

Following are policy implications in this regard:

- Proper mechanism should be devised in the stock market to eliminate or mitigate the impact of behavioral biases of the investors in Pakistani stock markets.
- Herding behavior and trend chasing should particularly be controlled in order to ensure long term sustainability and growth of the stock market.
- Some mechanism of bridge liquidity as specialists in international markets should be devised to sustain actual levels of the markets in periods of uncertainty.
- Stock markets should publish analysis reports along with other supporting information that provide guidelines to the investors to evaluate stocks in an accurate manner.

## Limitations & Future research

This research uses questionnaire design and focuses more on the qualitative aspect of the study and takes into account only some behavioral biases. A detailed investigation using quantitative proxies could be more revealing in this regard. Moreover, this study is conducted at a time when the stock markets in Pakistan are flourishing in all respect so this study may not represent the negative behaviors of the investors which are more prominent when the market is going down so a comparative study in this regard could be useful using longitudinal design which may compares the behaviors of investors with reference to different points in time.

## References

- Ahmed, N., Ahmed, Z., & Khalil, S. (2011). Behavioral Finance: Shaping the Decisions of Small Investors of Lahore Stock Exchange. *Interdisciplinary Journal of Research in Business*, 1 (2), 38-43.
- Amadi, A. A. (2004). Does Familiarity Breed Investment? An Empirical Analysis of Foreign Equity Holdings, Western Economics Association 79th Annual Conference. Vancouver.
- Banerjee, A. V. (1992). A Simple Model of Herd Behavior, the *Quarterly Journal of Economics*, CVII (3), 797-817.
- Barber, B. M., & Odean, T. (2000). Trading Is Hazardous to Your Wealth: The Common Stock Investment Performance of Individual Investors. *The Journal of Finance*, 773-806.
- Barber, B. M., & Odean, T. (2001, February). Boys will be Boys: Gender Overconfidence and Common stock Investment. *The Quarterly Journal of Economics*, 261-292.
- Bastardi, A. & Shafir, E. (1998). On the Pursuit and Misuse of Useless Information. *Journal of Personality and Social Psychology*, 75, 19-32.
- Benos, A. V. (1998). Aggressiveness and Survival of Overconfident Traders. *Journal of Financial Markets*, 353-383.
- Bhandari, G., & Deaves, R. (2006). The Demographics of Overconfidence. *The Journal of Behavioral Finance*, 7, 5-11.
- Bing Han, M. G. (2002, January). The Disposition Effect and Momentum. Anderson Graduate School of Management UCLA, Los Angeles, United States.
- Blumberg, S. R., & Hokanson, J. E. (1983). The effects of another person's response style on interpersonal behavior in depression. *Journal of Abnormal Psychology*, Vol 92(2), 196-209.
- Burks, S. V., Carpenter, J. p., Joette, L., & Rustichini, A. (2007, June 7). Is Overconfidence a Judgement Bias? *Journal of Behavioral Decision Making*
- Chen, G., Kim, K. A., & Nofsinger, J. R. (2007, February). Trading Performance, Disposition Effect, *Journal of Behavioral Decision Making*, 425-451.
- Chen, H. (Sorescu, A., Sorescu, S., & Tsiros, M. (2010). The Averaging Heuristic in Individual Investment Decisions. Texas A&M University. College Station: Mays Business school.
- Ciprari, M., & Guarino, A. (2005, December). Herd Behavior in a Laboratory Financial Market. *THE American Economic Review*, 95 (5), pp. 1427-1443.
- Dacey, R., & Zielonka, P. (2008). A Detailed Prospect Theory Explanation of The Disposition Effect. *Journal of Behavioral Finance*, 9, 43-50.
- Daniel, K., Hirshleifer, D., & Subramanyam, A. (1997). The Theory of Overconfidence, Self Attribution, and Security Market Under and Overreaction.
- Dhar, R., & Zhu, N. (2006). Up Close and Personal: An Individual Level Analysis of the Disposition Effect. *Management Sciences*, 52 (5), 726-740.
- Dirk Czarnitzki, G. S. (2005). The Disposition Effect: Empirical Evidence on Purchases of Investor Magazines. *Applied Financial Economics Letters*, 1 (1), 47-51.
- Dittrich, D. A., Güth, W., & Maciejovsky, B. (2005). Overconfidence in investment decisions: An experimental approach. *The European Journal of Finance*, 11, 471 - 491.
- Dixon, M. R. (2000). Manipulating the Illusion of Control: Variations in Gambling as a Function of Perceived Control over Chance Outcomes. *Psychological Records* (50), 705-719.
- Epley, N., & Gilovich, T. (2010, January). Anchoring unbound. *Journal of Consumer Psychology*, 20-24.
- Fellner, G. (2004). Illusion of Control as a Source of Poor Diversification: An Experimental Approach. Jena: Max Planck Institute for Research into Economic System.
- Frazzini, A. (2006). The Disposition Effect and Under reaction to News. *The Journal of Finance*, Vol. Lxi, No. 4, 30.
- Genesove, D., & Mayer, C. (1990). Loss Aversion and Seller Behavior.
- Genesove, D., & Mayer, C. (2001). Loss Aversion and Seller Behavior: Evidence from the Housing Market. *The Quarterly Journal of Economics*, 116(4), 1233-1260.
- Gigerenzer, G., & Goldstein, D. G. (1996). Reasoning the Fast and Frugal Way: Models of Bounded Rationality. *Psychological Review*, 103, 650-669.
- Grullon, G., G. Kanatas, & Weston. (2004). Advertising, Breadth of Ownership, and Liquidity. *Review of Financial Studies*, 17, 439-461.
- Gur, R. C., & Sackeim, H. A. (1979). Self-deception: A concept in search of a phenomenon. *Journal of Personality and Social Psychology*, Vol 37(2), 147-169.
- Hall, C. C., Ariss, L., & Todorov, A. (2005). The illusion of knowledge: When more information reduces accuracy and increases confidence. *Organizational Behavior and Human Decision Processes*, 277-290.
- Hirshleifer, D., & Teoh, S. H. (2003). Herd Behavior and Cascading in Capital Markets: A review and Synthesis. *European Financial Management*, 9 (1), 25-66.
- Hokanson, J. E. (1980). Interpersonal behavior of depressive individuals in a mixed motive game. *Journal of Abnormal Psychology*, 320-332.

- Hunga, M.-W., &Yua, H.-Y. (2006). A Heterogeneous Model of Disposition Effect. *Applied Economics*, 38, Pp. 2147-2157.
- Johnson, D. D. P. and Fowler, J. H. (2009). The evolution of overconfidence,
- Jhonson, M., Lindblom, H., & Platen, P. (2002). Behavioral Finance - And the Change of Investor Behavior During and after Speculative Bubble At the End of 1990s. School of Sciences and Management, Lund University, Faculty of Business Administration. Lund: School of Sciences and Management, Lund University.
- Josef Lakonishok, S. S. (1998). Are Seasonal Anomalies Real? A Ninety Year Perspective. *The Review of Financial Studies*, 1 (4), 403-425.
- Jra, N. D., Minetob, C., & Silvaa, S. D. (2007, September 27). Disposition Effect And Gender. *Applied Economics Letters* (15), Pp. 411-416.
- Kahneman, D., & Tversky, A. (1979). Prospect Theory: An Analysis of Decision under Risk. *EconomEtrica*, 47 (2), 263-292.
- Keating, J. E. (1991). Self-Deception and Its Relationship to Success in Competition. *Basic and Applied Social Psychology* 12(2), 145-155.
- Koehler, J. J., Hogarth, R. M., & Gibbs, B. J. (1994). Shattering the Illusion of Control: Multi-Short vs Single-Short Gambles. *Journal of Behavioral Decision Making*, 7, 183-191.
- Laver, S. (1997). *Emotion and the Arts*. (S. L. Mette Hjort, Ed.) Muze Inc.
- Lovric, M., Kaymak, U., & Spronk, J. (2008). A Conceptual Model of Investor Behavior. Erasmus Research Institute of Management. Rotterdam: Erasmus University Rotterdam.
- Malkie, B. G. (2003, April). The Efficient Market Hypothesis and Its Critics.
- March James G, S. Z. (1987). Managerial Perspectives on Risk and risk taking. *Management Sciences*, 33 (11), 1404-1418.
- McElroy, T., & Dowd, K. (2007). Susceptibility to Anchoring Effects: How Openness-to-Experience Influences Responses to Anchoring Cues. *Judgment and Decision Making*, 2 (1), 48-53.
- Mijovic-Prelec, D., & Prelec, D. (n.d.). Self-deception as self-signaling: A model and experimental evidence. *Philosophical Transactions of the Royal Society B: Biology*.
- Milkman, K. L., Chugh, D., & Bazerman, M. H. (2008). How Can Decision Making Be Improved?
- Montier, J. (2007). Behavioral Investing: A Practitioner's Guide to Applying Behavioral Finance. In J. Montier, *Behavioral Investing* (p. 706). Wiley Finance
- Nofsinger, J. R. (2005). Social Mood and Financial Economics. *The Journal of Behavioral Finance*, 6 (3), 144-160.
- Odean, T. (1999, December). Do Investors Trade Too Much? *The American Economic Review*, 1279-1298. *The American Economic Review*.
- Peter, L., & Steven, M. (2000). Do Professional Traders Exhibit Loss Realization Aversion? Do Professional Traders Exhibit Loss Realization Aversion? The George Washington University.
- Richard, D., Erick, L., & Michael, S. (2005, November). The Dynamics of Overconfidence: Evidence From Stock Market Forecasts. ZEW . Germany: ZEW Centre for European Economic Research.
- Salma, Z., & Ezzeddine, A. (2009). Investors Overconfidence: A survey on the Tunisian Stock Market. Tunisian: Faculty of Economics and Management Sciences of Tunis.
- Schwartz, B. (2004). *The Paradox of Choice; why more is less*. New York: HarperCollins.
- Seppala, A. (2009). Behavioral Biases Of Investment Advisors - The Effect of Overconfidence and Hindsight Bias. Helsinki School of Economics, Department of Accounting and Finance. Helsinki: Helsinki School of Economics.
- Sevil, G., Sen, M., & Yalama, A. (2007). Small Investors Behavior In Istanbul Stock Exchange (ISE). *Middle Eastern Finance and Economics* (I).
- Sewell, M. (2007, February). Behavioral Finance.
- Shefrin, H. (2000). *Beyond Greed and Fear - Understanding Behavioral Finance and the Psychology of Investing*. Harvard Business School Press.
- Shefrin, H., & Statman, M. (1985). The Disposition to Sell Winners too early and Ride Loser too Long: Theory and Evidence. *The Journal of Finance*, 40 (3), 777-790.
- Shiller, R. J. (2000). *Irrational Exuberance*. Oxford University Press.
- Simon, g., & Terrance, o. (2001). Learning to be Overconfident. *The review of financial studies*, 14, 1-27.
- Simon, G., Kaniel, R., & Mingelgrin, D. H. (2001). The-High Volume Return Premium. *Journal of Finance*, 56, 199-242.
- Shaukat, Z. (2011). Determining the Choices of Small Investors in the Light of Behavioral Finance, Unpolished Master Thesis, Fast Business School, NUCES, Lahore.
- Stephen P. Ferris, R. A. (1988). Predicting Contemporary Volume with Historic Volume at Differential Price Levels: Evidence Supporting the Disposition Effect. *The Journal of Finance*, 43 (3), 677-697.
- Summers, B., & Duxbury, D. (2007, August). Unraveling the Disposition Effect: The Role of Prospect Theory and Emotions.
- Surbey, M. K. (2011). Adaptive significance of low levels of self-deception and cooperation in depression. *Evolution and Human Behavior* vol.32, 29-40.
- Taylor, S. E., & Brown, J. D. (1988). Illusion and well-being: A social psychological perspective on mental health. *Psychological Bulletin*, Vol 103(2), 193-210.
- Visaltanachotia, N., Luob, H. & Lua, L. (2007, March 29). Holding Periods, Illiquidity And Disposition Effect In The Chinese Stock. *Applied Financial Economics*, 17, Pp. 1265-1274.
- Wang, D., & Canela, M. (2006, November). Herd Behavior towards the Market Index: Evidence from 21 Financial Markets.

# Worker, Work and Work Dynamics

**Fazal Haleem**

**Correspondence:**

Fazal Haleem

MBA from University of Bolton,

United Kingdom

**Email:** [haleemfazal@gmail.com](mailto:haleemfazal@gmail.com)

## Abstract

In today's world, organizations are increasingly becoming decentralized, facing fast-paced change, higher demands of innovation, greater operational uncertainty, increasingly blurred careers (Bindl and Parker, 2010) and the changing and volatile demands of products and services that bring some serious changes in work place and in the way products and services are produced (Kim and Seoul, 2003). In order to better cope with such problems firms need individuals who have a wide range of skills to perform various tasks, understand and have knowledge about the overall production process and the business, are good at problem solving, proactive, propose and influence changes in organizational routines, and take initiative to solve problems immediately without the help of others (Kim and Seoul, 2003; Gerhardt et al. 2009).

The research mainly critically reviews literature on the importance of multi-skilled, pro-active, and customer focused employees. The research concludes that it is reality that an organization needs multi-skilled, proactive and customer focused staff to be successful. The paper contributes to the literature and offers implications for HR officers and management.

**Key words:** Multi-skilled, Proactive, Customer-focused, Staff, Successful Organization

## Introduction

Organizations are open systems as they operate in an ever-changing and competitive environment that affects the way they do business and, therefore, need to respond to the changing environment to survive and prosper (Worthington and Britton, 2009). To best fit with the changing environment and create value, organizations need to understand and respond to the environment (Ware and Grantham, 2003) including: the changing internal factors and activities such as organizational culture, structure, and systems; micro environmental factors such as customers, competitors, suppliers, intermediaries and other stakeholders; and finally, factors and activities which do not directly and immediately affect the organization but might have significant influence on the organization such as economic, social, cultural, political, legal, and technological forces (Palmer and Hartley, 2006; Meadow, 2010). Similarly, organizations bring intentional changes in order to gain competitive advantage which is evident by mergers, acquisitions, strategic alliances, joint ventures and multi-national corporations (Worthington and Britton, 2009).

Sources of competitive advantages have shifted from capital and raw materials to talent (Ware and Grantham, 2003) and from technology and finance to the 'human capital' in today's knowledge-based economy (Taylor, 2008). In today's world organizations strive to improve their performance and to be more competitive. For this, organization brings innovation in their products, processes, markets, and in organizations. These innovations bring significant impact on an organization's employees. For instance, technology has been bringing significant changes in equipment and production/services processes (Meadow, 2010). Increasing global competition and rapid diffusion of new technologies has exploded the rate of change that has made learning critical for the performance of individuals, organizations, regions and nations (Burke and Ng, 2006). The critical need of learning for organizations has resulted in high demand for higher skilled labor (Meadow, 2010).

The next section reviews literature on work, work force, work places and discusses pros and cons of multi-skilled, proactive and customer-focused employees followed by a summary of the research.



## Literature Review

Work, work force, and work places, all are facing dramatic changes, especially in developed countries. The traditional psychological contract which was based on commitment from employee and job security from the employer does not exist anymore which can be seen in the shape of flexible work and firms. In respect of recessionary and competitive pressures, employers now do not offer a job for life and therefore offer fair pay and treatment and training and development opportunities (Taylor, 2008; Knight, 2009). One reason for the changing and dynamic work is that of demographic changes such as population of an organization changes through transformation as well as through selection, births and deaths (Burke and Ng, 2006). Likewise, now-a-days jobs require more mental and emotional demands than physical demands. Furthermore, jobs in the manufacturing sector are decreasing, whilst in the service sector it is on the rise. Similarly, the number of women and old workers has been increasing in the work force (Meadow, 2010).

On one hand, "Computing and communication technologies have transformed the traditional workplace into a virtual 'workspace' as today knowledge work can be done at anytime from anywhere on the planet from an airport to a local coffee shop (Ware and Grantham, 2003, P.145). But on the other hand, work has also become more dehumanizing as an individual's labor has been reduced due to technological advancements in terms of automations, robots, internet, and computer aided design and manufacturing (CAD/CAM), computer integrated manufacturing (CIM), Global Positioning System (GPS), navigation technologies, and information and communication technologies (Burke and Ng, 2006). Similarly, individuals have become underemployed, whilst a great number of people have become unemployed due to increasing demand from employers and firm's efforts to reduce cost through employing downsizing and other cost reduction strategies, for example, Royal Mail recently downsized in order to cut costs.

Moreover, increasing job insecurity, forced mobility, and unemployment are increasingly becoming more prevalent which further increases job career discontinuity, forced early retirements, job loss and detrimental effects on health of employees (Meadow, 2010). The frightening economic turmoil increases demand for multi-skilled workers, though there has ever been a good demand for multi-skilled workers at any point of time (ExpressComputer, 2010). The technology and economic changes have affected the demand for Human Capital. Human Capital generally refers to the skills, knowledge, experience, education, training, and aptitudes that an individual possesses. It is positively related to an individual's employment and wage premiums and improved organizational performance as well (Becker, 2009).

According to Akhlaghi and Mahony, multi-skilling means making people able to perform two or more jobs which are traditionally separate. Multi-skilled employees help improve a company's performance (Akhlaghi and Mahony, 1997) but on the other hand it has resulted in polarization of more skilled versus less-skilled and changes in occupational structure (Lundvall, 2002). The impacts of polarization may be seen in the form

of more uneven employment opportunities and high unemployment for low skilled workers or in more unequal income distribution between highly skilled and the rest of the labor (Meadow, 2010). Braverman supported the notion of deskilling of workers' which used to be a dominant general tendency in the past (Braverman, 1974). However, deskilling has resulted due to technological advancement and the employee should continually learn and develop new skills in order to secure their jobs and avoid obsolescence of their skills (Burke and Ng, 2006).

Nevertheless, different periods of time e.g. the 19th, 20th, and 21st centuries have different economic settings and thus have general tendencies for demand and supply of skills (Acemoglu, 2000). According to the theoretical model proposed by Becker and Murphy, cited in Kim and Seoul, (2003), the division of labor (specialization) is one of the important drivers that cause productivity and economic growth. Interestingly, US firms faced severe difficulties and challenges from Japan in the 1980s when it was using division of labor and specialization. The reasons behind the difficulties faced by the US were the changing and volatile nature of demand in terms of customized products and services and the introduction of new products that replaced the existing ones that led to significantly reduced demand for the existing products.

Kim and Seoul argue that under the specialization the jobs are sub-divided and have strict demarcations which constrain the company to meet the volatile demands and changing situation immediately (Kim and Seoul, 2003). Unlike single-skilled employees, multi-skilled employees can increase productivity, decrease cost in terms of labor, space and other equipment etc. Thus they contribute more to the bottom line of the business which can make the staff indispensable for the company. Similarly, multi-skilled staff helps a company in terms of providing the company with such a workforce which is flexible and self-managed as per requirements of the company (ExpressComputer, 2010).

An organization can produce efficiently existing products and services with specialization but with multi-skilling an organization is in a far efficient production mode where new products are continuously launched (Kim and Seoul, 2003). For instance, according to Dyck and Halper, cited in (Hoyt and Matuszek, 2001), Celestica and 1MB subsidiary claim to have achieved significant improvements in the productivity, quality, and lower costs due to implementation of multi-skilled employees. One more reason for developing more than one skill is that people who have mastered one technical skill might face a high level of obsolescence in their respective fields which would put them at risk of losing their jobs. For instance, an individual who has expertise and is a top performer in his/her field could contribute to the company's success in only that domain, technology or other field etc. If the market conditions do not favor such expertise and knowledge in that particular domain the individual's contribution to the company's performance will be very much limited and, therefore, possibly the individual could lose their job. On the contrary, an individual who has multiple skills and knowledge about different related or adjacent fields will be far more effective in the market because market disturbances can affect verticals but it is unlikely that all verticals are

similarly affected under recessionary pressures and downturn (ExpressComputer, 2010).

Multi-skilling benefits both employees and organization. Multi-skilled employees are more flexible, productive, and are of high quality and morale (Hoyt and Matuszek, 2001). Moreover, they have reduced job insecurity, better growth prospects and the ability to achieve their personal goals and objectives. Whereas, organizations can utilize their workforce optimally, deploy employees easily across projects, increase productivity and quality, have a flexible workforce who know about the organizations' needs and have a high level of involvement (ExpressComputer, 2010). Dalton, cited in Hoyt and Matuszek (2001), reports that firms used flexible workforces and came up with estimated improvements in overall output, less defects, yield, and less downtime ranged from 30% to 40% and were highly correlated with multi-skilling. According to Kacter, cited in Hoyt and Matuszek (2001), the Cadillac Division of General Motors successfully formed A multi-skilled employee's team for dealing with maintenance, design, and environmental technology to handle a wide range of requests from internal customers. The flexibility within the cross-trained teams successfully completed the job on time regardless of interruptions and sick days.

On the contrary, the study conducted by Hoyt and Matuszek found that multi-skilled workers are not a significant predictor of financial performance in a statistical analysis of high-tech companies (Hoyt and Matuszek, 2001). Similarly, multi-skilling has an opportunity cost associated with it, that is, multi-skilled workers hardly improve their productivity through the division of labor or specialization whilst single-skilled workers likely increase their productivity by continuing to perform a job which is the productivity improvement through specialization (Akhlaghi and Mahony, 1997). Though multi-skilled workers have relatively high employability, individuals who experience more frequent job changes are more likely to indulge in activities and habits such as smoking more, consuming more alcohol, and exercise less. On the other hand, there are significant adverse effects on physical and mental health of those employees who perceive job insecurity (Meadow, 2010).

According to Lloyd, multi-skilling also helps the company, in some cases, to minimize the turnover of the core labor force in times of down turn in economy when the company really needs such skills for survival. Likewise, it helps the company to cut their costs by reducing the headcounts and improve productivity (Lloyd, 1996). Similarly, due to multi-skilling in the maintenance area there will be "reduction in downtime, less repairs, quicker set ups and start-ups" (Lloyd, 1996, P.20).

However, the flip side of multi-skilling is that fewer job distinctions and flexible attitude towards that does what may potentially decrease the demarcation disputes. Blurring the distinctions between different previously defined tasks and job titles might result in disputes and uncertainty as to who is responsible and has the required skills for performing certain duties. This also suggests that employees may cross too far into another individual's job for which they were not sufficiently skilled or formally accredited (Akhlaghi and Mahony, 1997). Similarly, Lloyd argues that in terms of productivity the

labor unit cost will rise. Interestingly, a company invests in its employees in terms of time and resources for deepening and widening the skills set of its employees has more positive impact on their motivation than most other payment systems (Lloyd, 1996).

Moreover, there is a belief about multi-skilling that it helps bring flexibility in work and in attitudes towards job demarcation that ultimately lead to lower disputes and conflicts. But the research conducted by Cordery, cited in Akhlaghi and Mahony (1997), reveals that "the highest levels of industrial strike activity occur among groups of skilled employees who, in turn, report high levels of job satisfaction". A number of factors have contributed to the work intensification such as changes in the products and processes of production, different production approaches such as lean production and Just in Time (JIT) systems, changes in work organizations such as increased demand for multi-skilling and flexibility, advancement and deployment of technologies such as automation and computerization, human resources management policies regarding high employee participation and involvement, increased job insecurity and unemployment pressures, and practices of more work load without or less compensation (Knight, 2009). Work intensification has an adverse impact on an employee's physiological and psychological health that ultimately effects employee's satisfaction and productivity (Meadow, 2010).

With introduction of new products or models in a production system there might occur changes in the manufacturing processes, setups of new production lines, new machines, and equipment or tools, adjustment of existing lines, and the creation of new tasks. Due to conflicts between processes, malfunctioning and defects of machines, frequent changes in machines and tools, introduction of new tasks, and the difficulties in coordinating tasks with the processes exacerbates the uncertain situation. In order to better cope with such problems firms need individuals who have a wide range of skills to perform various tasks, understand and have knowledge about the overall production process and the business, are good at problem solving, proactive, propose and influence changes in organizational routines, and take initiative to solve problems immediately without the help of others (Kim and Seoul, 2003; Gerhardt, Ashenbaum and Newman, 2009).

In today's dynamic and ever-competitive environment, organizations need proactive employees who take initiative, and use their creative and concrete knowledge of their jobs in the interest of the organization (Meadow, 2010). According to Unsworth and Parker, cited in Veldhoven and Dorenbosch (2008, P.114), "proactivity is a set of self-starting action-orientated behaviors aimed at modifying the situation or oneself to achieve greater personal or organizational effectiveness". In other words, proactivity is a behavioral attribute which refers to the willingness of employees to participate in extending work and dealing with increased flexibility demands. It can be divided into on-the-job proactivity and developmental proactivity. The former refers to employees who actively engage in removing inefficiencies that arise in their work in the constantly changing work and work places, whereas, the latter refers to employees who learn and develop new skills and knowledge to ensure their future employability by scanning

the work environment (Gerhardt, Ashenbaum and Newman, 2009). However, both on-the-job and developmental proactivity is vital for dynamic organization (Veldhoven and Dorenbosch, 2008).

The demographic developments in Europe and North America imply that old people will be a substantial part of the workforce in the near future. Wan and Fay, cited in Veldhoven and Dorenbosch (2008), found a negative relationship between developmental proactivity and age. Further, it implies from this that in the changing environment the idea of proactivity is not that great because the substantial old workforce would not be doing that good by taking limited initiative towards development which suggests lower work participation, performance and flexibility. In the author's view, employees who are good at taking initiative towards development may not be in favor of an organization because they are interested in their careers and this might motivate them to leave that organization for career development and hence the organization could face turnover of high-productive employees. Losing such individuals would have a very bad impact on the organization in terms of recruiting and developing new employees which would cost the organization capital and time resources. Similarly, proactive staff sometimes can be difficult to manage because they like to take initiative and try many different things.

Proactive employees are self-starting, future oriented, and bring changes either in themselves or in situations such as bringing improvement in work and processes. An example of proactive behavior is given below which is a quotation from energy is selling call centre (Grant and Ashford, 2008).

"On a few occasions if there's something that is not working or is causing a duplication of work then I challenged it. One particular incident is that there was a process not so long back where we'd send out a letter to a customer, then also leave a message on their phone. So what we did - we evaluated that - so to leave a message first then, if there's no response, send a letter rather than doing both at the same time. I know it's only a little thing, but it saves a lot of time" (Bindle and Parker, 2010, P.1).

Kim and Seoul observed that Japanese workers have a wide range of skills, can perform a variety of tasks, have less strict job demarcations, and take initiative in solving problems by themselves in unusual circumstances without other workers' help, more so than US workers. For instance, operators not only do their normal operations but also perform the unusual tasks such as finding and repairing abnormalities, adjusting machines and equipment without other technicians' help in case of machines' malfunctioning or adjustment problems (Kim and Seoul, 2003). On the other hand, in the author's view, there is a cost associated with having proactive employees that is to give them sufficient knowledge and skills about the business because it has greater influence on an individual's proactivity.

Chan proved that those proactive employees who lack situational judgment get negative evaluation from their supervisors which results in lower employee well-being (Chan, 2006). The author implies that their performance would be affected and would not likely contribute more to the organizational

performance. Parker et al. found that proactive employees performed well and got good rates from their supervisors (Parker, Collins, and Grant, 2008). Further, Greenglass and Fiksenbaum found the proactive employees have lower levels of absenteeism (Greenglass and Fiksenbaum, 2009). On the other hand, Seibert et al. found that employees who voiced many concerns were not that progressive in their salary promotion and career progression as compared to those who voiced few concerns (Seibert, Kraimer, and Crant, 2001). According to Bindle and Parker situational factors such as working in de-motivating teams and psychological unsafe feelings have negative impacts on an individual to take the risk to be proactive. Similarly, job design, leadership and climate-related variables have very strong influence on an individual's proactivity. The challenge for the organization would be to offer employees job autonomy, personal control, voice, a high level of trust relationship between leaders, and support (Bindle and Parker, 2010).

In the ever changing and competitive environment, organizations face severe challenges from their competitors, technology, and the changing and more demanding nature of customers. If organizations do not meet their customers' expectations, the likelihood is that customers will switch to competitors and hence the business will start losing sales and eventually will demise. So, organizations need employees who have better understanding of customers' dealings, tastes, needs, and have skills and experience to deliver quality service to customers in such a fashion that not only wins customers but also makes them loyal customers and volunteer-walking-advertisers of the company (Farner, Luthans, and Sommer, 2001). The change in the business concept about customers and products has beautifully been drawn in the following sentences.

"The chant of the industrial revolution was that of the manufacturer who said, 'This is what I make, won't you please buy it'. The call of information age is the consumer asking, 'This is what I want, won't you please make it'" (Kotler and Armstrong, 2010, p. 13).

In the past, customers were plenty in the growing economy and markets and there were fewer companies to offer products and services. But currently companies face new marketing realities, that is, changing demographics, more-sophisticated competitors, saturated markets and industries that mean that there are fewer customers in the market (Kotler and Armstrong, 2010). Similarly, in today's competitive age, customers are more demanding and knowledgeable than before. They evaluate the service they receive based on service clues: functional clues such as technical quality of the offering; mechanistic clues such as the sensory representation of the service; and humanistic clues such as behavior and appearance of the service provider. Humanistic clues suggest that a service provider's choice of words, tone of voice, and level of enthusiasm, body language and appropriateness of dress all form part of the customer's experience (Solnet, 2006). An example of a customer-focused company is Ford. In the words of one Ford executive "if we are not customer driven, our cars won't be either" (Kotler and Armstrong, 2010, P. 13).

In the past, external customers were considered the only customer of an organization but in the late 1980's a new serv-



management concept of internal customers, employees, emerged. The idea is that the whole organization must serve those who serve others (Farner, Luthans, and Sommer, 2001). Because if internal customers, employees, are not served well then how can it be expected of them to serve the external customers. Employees work on the principle of "you scratch my back and I will scratch yours" (Improving customer service, 2009, P.1). For instance, UPS incorporated the concept of internal customer by spending a great deal of time evaluating internal employee satisfaction which contributed to its success. Similarly, Hyatt Hotels also found the concept as a significant factor in their success (Farner, Luthans, and Sommer, 2001).

In the author's view, if employees are forced to be customer focused, it will not be that effective because first of all employees should be satisfied with their jobs (security), work environment (safety), promotion opportunities, and training and career development opportunities etc. But in today's fast changing world, internal customers are forced to achieve targets and provide more than what the company offers them and that might lead to dissatisfaction of internal customers as a result they may fail to satisfy customers (Farner, Luthans, and Sommer, 2001). According to Kotler and Armstrong, a satisfied customer tells another three about his good experience, whereas a dissatisfied customer tells ten others about his bad experience (Kotler and Armstrong 2010). Similarly, job insecurity will adversely affect employees' performance as they may fear that their job might be outsourced or finished or combined with other similar jobs. Interaction between a company's service-employees and its customers is very important as customers remember it. Therefore, those employees who feel uncomfortable in dealing with customers or lack training, expertise and skills to meet customers' expectations can cause customers to experience unpleasant memories of a service (Solnet, 2006).

Interestingly, some companies outsource their customer service department to other countries which is thought a cost effective strategy but often results in dissatisfied customers due to poor customer service which is caused by language and culture differences, and low level of skills, experience, and expertise. Some examples of outsourced customer services are Three Mobile and Barclays Bank. However, customer-focused staff learn about customers' desires and wants, gather new products and service ideas, and test proposed product improvements. Proctor & Gamble, Disney, Wal-Mart, Marriot, Dell Computer, 3M and L.L. Bean are some of the customer-driven companies. One good example of a customer focused company is 3M which is clear from one of its executive's statement, "Our goal is to lead customers where they want to go before they know where they want to go" (Kotler and Armstrong 2010, p.13).

## Conclusion

In the past, customers were plenty in the growing economy and markets and there were fewer companies to offer products and services. But currently companies face new marketing realities, that is, changing demographics, more-sophisticated competitors, saturated markets and industries that mean that

there are fewer customers in the market. Therefore, organizations need employees who have a better understanding of customers' dealings, tastes, needs, and have skills and experience to deliver quality service to customers in such a fashion that not only wins customers but also make them loyal customers and volunteer-walking-advertisers of the company.

## References

- Acemoglu, D. 2000. Technical change, inequality, and the labor market. National Bureau of Economic Research.
- Akhlaghi, F. and Mahony, L. 1997. Service integration and multi skilling in facilities management within the UK National Health Services. *Facilities*, Volume. 15, Issue.3/4
- Becker, G. (2009). Human capital: A theoretical and empirical analysis, with special reference to education. University of Chicago Press.
- Bindl, U., & Parker, S. K. 2010. Proactive work behavior: Forward-thinking and change-oriented action in organizations (Vol. 2, pp. 567-598). Washington, DC: American Psychological Association.
- Braverman, H. 1974. *Labour and Monopoly Capital* London.
- Burke, J. R., and Ng, E. 2006. The changing nature of work organization: Implications for human resource management. *Human Resource Management Review*, Volume. 16, Pages. 86-94
- Improving customer service. 2009. How employees and innovation hold the key, *STRATEGIC DIRECTION*, VOL. 25 NO. 1 2009, pp.5-9.
- CIPD. 2009. The psychological contract. [online] <http://www.cipd.co.uk/subjects/empreltns/psycntrct/psycontr.htm>
- Chan, D. 2006. Interactive effects of situational judgment effectiveness and proactive personality on work perceptions and work outcomes. *Journal of Applied Psychology*. 91(2):475
- ExpressComputer. 2010. Is multi-skilling the need of the times? <http://www.expresscomputeronline.com/20090504/technologylife01.shtml> [05/03/2010]
- Farner, S., Luthans, F., and Sommer, S. 2001. Research and concepts. An empirical assessment of internal customer service. *Managing Service Quality*, Volume. 11, Num. 5, Pages. 350-358.
- Gerhardt, M., Ashenbaum, B., and Newman, R. W. 2009. Self-Management: Understanding the impact of Proactive Personality on Job Performance: The Roles of Tenure and Self-Management, *Journal of Leadership & Organizational Studies*, Volume.16, Issue. 61 <http://jlo.sagepub.com/cgi-reprint/16/1/61>
- Grant, A and Ashford, S. 2008. The dynamics of proactivity at work. *Research in organizational behavior*. 2008 Dec 31;28:3-4.
- Greenglass, E and Fiksenbaum, L. 2009. Proactive coping, positive affect, and well-being: Testing for mediation using path analysis. *European Psychologist*. 2009 Jan;14(1):29-39



Hoyt, J. and Matuszek, T. 2001. Testing the contribution of multi-skilled employees to the financial performance of high-tech organization', *Journal of High Technology Management Research*, Volume. 12, Pages. 167-181

Knight, R. 2009. A battle for talent' *Financial Times*, [March 19, 2009].

[http://www.ft.com/cms/s/0/5cc55a10-14a7-11d1-8cd1-0000779fd2ac.html?ncklick\\_check=1](http://www.ft.com/cms/s/0/5cc55a10-14a7-11d1-8cd1-0000779fd2ac.html?ncklick_check=1) [28/11/2009]

Kim, Y. And Seoul, K. 2003. Multiskilling and firm performance', *Journal of Economics* [online] [http://s-space.snu.ac.kr/bitstream/10371/1303/1/v16n4\\_387.pdf](http://s-space.snu.ac.kr/bitstream/10371/1303/1/v16n4_387.pdf) [05/03/2010]

Kotler, P. and Keller, K.L. 2006. *Marketing management*, 12th Edition, Upper Saddle River, New Jersey, US: Pearson Education, Inc

Kotler, P. and Armstrong, G. 2010. *Principles of marketing*. Pearson education.

Lundvall, B. 2002. *Growth, innovation and social cohesion: the Danish model*. Edward Elgar Publishing, Incorporated; 2002.  
Lloyd, J. 1996. Developing multi-skilled teams for effective service delivery. *Facilities*. 14(3/4):20-2.

MEADOW. 2010. MULTI-LEVEL THEORITICAL FRAMEWORK: Theoretical key elements and interactions reflected in data collection on organisational change, innovation and work conditions' [online] [http://www.meadow-project.eu/images/docmeadow/backdocument\\_mtf.pdf](http://www.meadow-project.eu/images/docmeadow/backdocument_mtf.pdf) [20/03/2010]

Palmer and Hartley. 2006. *The Business Environment*, Edn., 5th, McGraw-Hill Education, Berkshire.

Parker, S., Collins, C., and Grant, A. 2008. The role of positive affect in making things happen. In *Annual SIOP Conference*, San Francisco, USA.

Seibert, S., Kraimer, M, Crant, J. 2001. What do proactive people do? A longitudinal model linking proactive personality and career success. *Personnel psychology*. 54(4):845-74.

Solnet, D. 2006. Introducing employee social identification to customer satisfaction research: A hotel industry study', *Managing Service Quality*, Volume. 16, Issue. 6, Pages. 575- 594.

Taylor, S. 2008. *People Resourcing*, CIPD, [online].

[http://www.cipd.co.uk/NR/rdonlyres/8BEF0A0F-35DF-404B-B9AD38F7F53FA282/0/9781843981985\\_sc.pdf](http://www.cipd.co.uk/NR/rdonlyres/8BEF0A0F-35DF-404B-B9AD38F7F53FA282/0/9781843981985_sc.pdf) [04/03/2010]

Veldhoven, V, M. and Dorenbosch, L. 2008. Age, proactivity and career development', *Career Development International*, Volume. 13, Issue. 2, Pages. 112 - 131

Ware, J and Grantham, C. 2003. the future of work: Changing patterns of workforce management and their impact on the workplace', *Journal of Facilities Management* 2, Vol. 2, pp. 142-159.

Worthington, I. and Britton, C. 2009. *THE BUSINESS ENVIRONMENT*, Edn. 6th, Essex: Pearson Education Limited

# Retention of knowledge within the private sector organizations in the Kingdom of Saudi Arabia

**Alshanbri, N.  
Khalfan, M.  
Maqsood, T.**

RMIT University,  
Melbourne, Australia

## Correspondence:

Malik Khalfan

RMIT University,

Melbourne, Australia

**Email:** [malik.khalfan@rmit.edu.au](mailto:malik.khalfan@rmit.edu.au)

## Abstract

This paper presents a brief literature review of knowledge and explores the role of Knowledge Management (KM) and Human Resources Management (HRM) both in sustaining Intellectual Capital (IC) within an organisation, particularly in the context of Nitaqat Program in Kingdom of Saudi Arabia (KSA). Based on the literature review, it argues that a new worker could be transformed to a knowledge-worker if appropriate transition processes were in place for knowledge retention and capture from an out-going employee. This paper presents the findings from the interviews undertaken with both local and non-local employees in the private sector in KSA and reviews the impact of Nitaqat Program resulting in knowledge sharing and management of sticky knowledge between non-local employees leaving the companies and local employees taking their positions.

**Key words:** Knowledge Management, Knowledge Sharing, Human Resources Management, Employees, Nitaqat, Kingdom of Saudi Arabia

## Introduction

Knowledge has two widely known formats which are explicit and tacit as defined by Polanyi (1964). Explicit knowledge can be expressed in words and numbers. This format can be easily shared and transferred between people in many forms like data, specifications, manuals, etc. On the other hand; tacit knowledge which is often difficult to share or transfer comes in forms such as insights, intuition, and hunches. In order to transfer tacit knowledge; it needs to be converted into an explicit form. Nonaka (1994) identified four possible ways for Knowledge transformation from one form to another; these ways are Socialization (from tacit to tacit); Externalization (from tacit to explicit); Internalization (from explicit to tacit) and Combination (from explicit to explicit). Nonaka (1994) also defined the Externalization as the way of converting tacit knowledge into words or visual concepts to make it easier to be understood. The previous methods can transform knowledge forms from one to another but sometimes it is hard. When Knowledge is hard to transfer then it is called sticky knowledge.

Eric von Hippel (1994) defined stickiness of information as the "incremental cost of transferring a given unit of information in a form usable by the recipient". Sticky Knowledge is also defined as the knowledge that is hard to move or costly to transfer. Knowledge transfer has been defined as an activity that facilitates knowledge movement in any organization (Bou-Llusar and Segarra-Cipres, 2006).

Knowledge stickiness has negative effects on an organization's performance; while the ease of knowledge transfer can assist in: Facilitating better organization decision-making capabilities; Improving administrative services; Preserving organization memory; Combating staff turnover by facilitating knowledge capture and transfer; Improving quality of services, products and innovation; Reducing 'product' development cycle time; Reducing costs; competitive capacity and position in the market; increasing customer satisfaction; employee

satisfaction; communication and knowledge sharing; and Knowledge transparency and retention. (Kidwell et al., 2000, Jennex et al., 2009, Maqsood, 2006).

Szulanski studied more than 120 “best practices” within 8 firms and he found that the three largest contributors to the knowledge stickiness are: The lack of absorptive capacity by the recipient; Causal ambiguity and the arduous relationship between the information source and recipient. Here is a brief description on these factors:

**Lack of absorptive capacity:** There are many matters that can increase the capacity of the recipient in absorbing new knowledge such as the related prior knowledge such as the gained educational knowledge in a selected field and the recipient’s ability to recognize and seek sources of support for implementing a new practice. The lack of absorptive capacity for the recipient is linked to knowledge stickiness and it also can paralyse the transferring and the applying of new knowledge. This factor will increase costs, delay completion and may compromise the success of the transfer event. Therefore, if a recipient lacks absorptive capacity, Szulanski (1996) hypothesized stickiness would be increased.

**Casual ambiguity:** the unknown reasons or the uncertainty for knowledge transfer’s success or failure is the main cause of causal ambiguity. Szulanski hypothesized that the greater the causal ambiguity the more difficult knowledge can be transferred. Casual ambiguity is linked to many factors and it is mainly linked to the human factor.

**Arduous relationship:** (lack of empathy, trust or commitment to collaborate in the task of sharing knowledge). Transferring knowledge depends on the interactions of two parties and usually human factors play a major role in these interactions directly or indirectly. As long as there is an intimacy and an ease of access of communication between the source and the

recipient; transferring knowledge wouldn’t be an issue. Szulanski (1996) mentioned that the arduous relationship between the source and the recipient (such as laborious and distant) is considered a factor that might cause the stickiness of transferring knowledge.

### Nitaqat Program

Nitaqat is a program that aims to stimulate employment of locals in the Kingdom of Saudi Arabia. It determines the new rates of Saudisation and applies them to all private sector enterprises. Furthermore, it has linked these rates with a matrix of incentives and facilities that qualify them according to the rates of Saudisation. The program divides the private sector enterprises into four zones as shown in Figure 1 (excellent, green, yellow and red). Most of them are now situated in the green zone, which includes firms that have achieved reasonable and acceptable rates of employing Saudis. The enterprises that are located in the yellow and red zones do not employ Saudis or their rate of Saudisation is less than acceptable (see an example in Figure 2). These enterprises have been given sufficient time by the Ministry of Labour to correct this and move to the green and excellent-rated zones.

The firms that accepted Nitaqat and entered the excellent and green zones will be provided with an array of facilities and motivations, making it easier for them to deal with their employees and workers’ unions, besides giving them sufficient flexibility to achieve the desired levels of growth.

Furthermore, the program aims to create a much-needed balance between the advantages of hiring a foreign worker and a Saudi worker by raising the cost of maintaining foreign workers in the red and yellow zones. Also, Nitaqat is a monitoring tool for the Saudi labour market, one which aims for more localisation of jobs in the private sector and reducing the country’s unemployment rate. In this study 45 companies located

**Figure 1: Four categories for Nitaqat (Source: Saudi Ministry of Labour)**

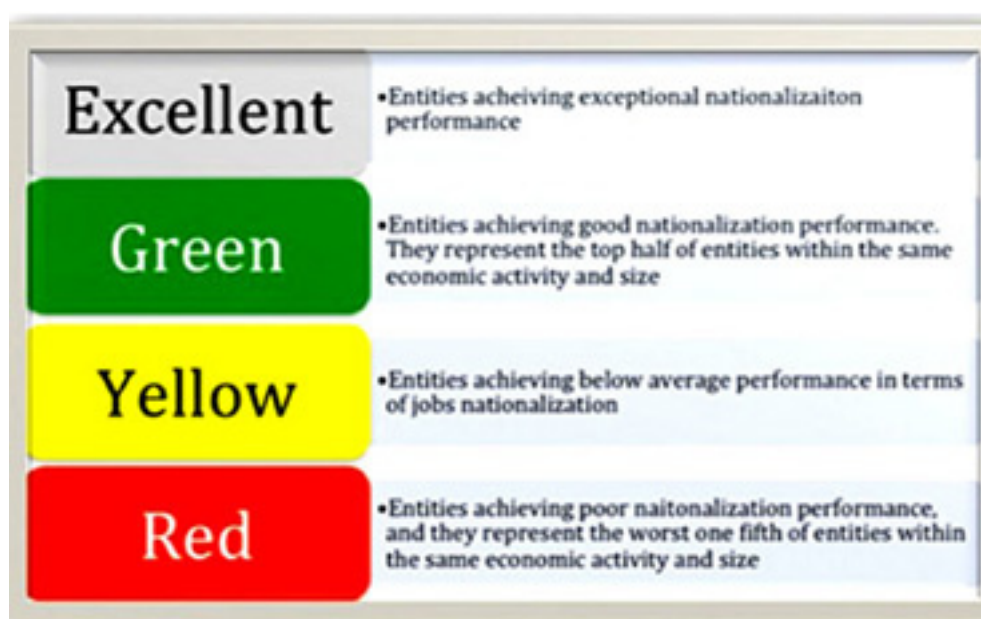
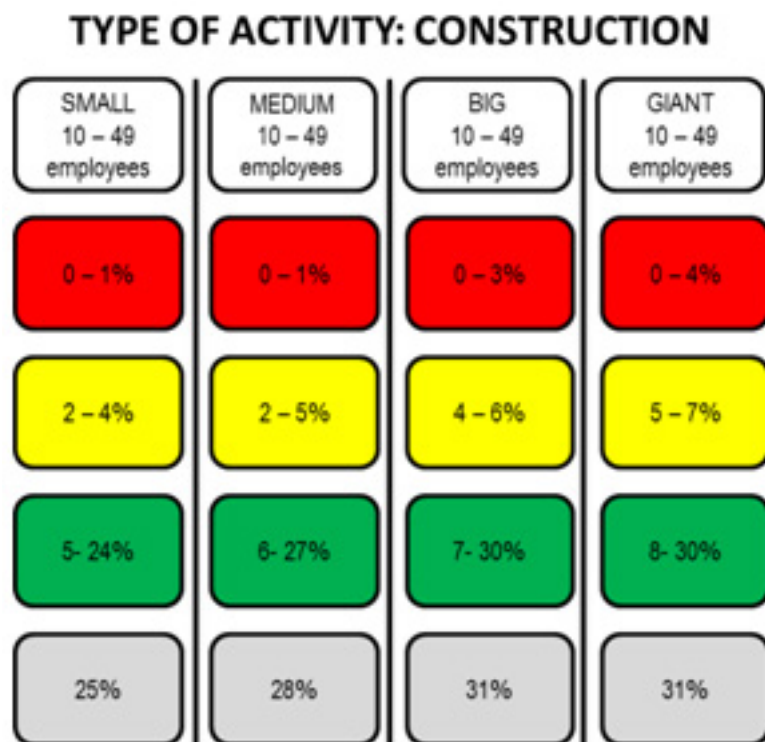


Figure 2: Saudisation requirement within four categories for Nitaqat (Source: Saudi Ministry of Labour)



The required percentage for Saudization in the four colored zones

Source: Ministry of Labour

in the green, yellow, and red zones were contacted with an official letter from the University. Twenty companies agreed to participate in the study from three categories - green, yellow and red zones. Finally, just 13 companies were interviewed during the given timeframe. Their classifications are as follows: four companies in the green zone; five companies in the yellow zone; and four companies in the red zone. This paper presents the analysis and discussion from the interviews undertaken with local and non-local employees regarding the implementation of Nitaqat Program in their companies.

### Research Methodology

The overall aim of the study was to review the literature of both Knowledge Management and Human Resources Management in order to find the links between both of them and using these links to support the employee replacement process in Saudi Arabia, specifically with the context of the Nitaqat program. One of the main objectives of this research was to investigate and document the problems or barriers that Saudi organisations may face while enforcing Nitaqat. This study is considered to be a Social Constructivism Approach (case study, descriptive study, and exploratory research) because it seeks to document a particular interest. For the purpose of obtaining necessary data, the researcher employed qualitative research techniques. This decision was based on the rationale and objectives of the study, the required depth of the investigation and dominance of "how" and "what" questions. The above mentioned objective was addressed by the in-depth case studies. Tools to collect data included semi-structured in-

terviews, as well as documentation and archival analysis. Conducted case studies consists of interviews with HR managers and KM experts, local employees and non-local employees in 5 large, 5 medium-sized and 5 small companies in order to collect the primary data. The five economic sectors that were explored are: construction; wholesale and retail trade; manufacturing; agriculture, forests, hunting and fishing; and transport, storage and telecommunications. These five sectors were considered worthy as they include the majorities of foreign labour in the private sector in Saudi Arabia.

In this study 45 companies located in the green, yellow, and red zones were contacted with an official letter from the University. Twenty companies agreed to participate in the study from three categories - green, yellow and red zones. Finally, just 13 companies were interviewed during the given timeframe. Their classifications are as follows: four companies in the green zone; five companies in the yellow zone; and four companies in the red zone. The qualitative data for this research were obtained from individual face-to-face semi-structured interviews with Nitaqat's manager from the Saudi's Ministry Of Labour, 13 Saudi Human Resources managers in the Saudi's private sector, 13 local Saudi employees, and 13 non-local employees. Secondary sources were Ministry of Labour documents and announcements about Nitaqat program, and articles in Saudi Arabian major newspapers and specialist journals or magazines.



### Analysis and Discussion of interviews with Saudi (local) employees about the Nitaqat Program

Local employees are the Saudi national employees who are working in the country's private sector. Thirteen local employees from the private sector were interviewed: four from green zone companies, five from yellow zone companies, and four from red zone companies. The participants were asked a number of questions. The first question was about the Nitaqat program and whether the program affected the organisation during the implementation. The responses were as follows (see Table 1):

**Table 1: Local employees and Nitaqat program 1 of 5**

	Local Employees and Nitaqat Program 1 of 5						
	Nitaqat affected the organisation during the implementation						
	Yes						No current effects
	Job security	Organisation culture	Project delay	Unclear situation	Unclear future	Work environment	
<b>Green zone companies</b>							
Company A							✓
Company B							✓
Company C							✓
Company D							✓
<b>Yellow zone companies</b>							
Company E							✓
Company F				✓	✓		
Company G			✓			✓	
Company H							✓
Company I							✓
<b>Red zone companies</b>							
Company J	✓	✓				✓	
Company K							✓
Company L	✓	✓				✓	.
Company M							✓

• Nine local employees (four from the green zone, three from the yellow zone, and two from the red zone) said that the program did not affect the work or the organisational performance.

• Four local employees (from yellow zone) said it indeed affected the organisation. One of them said that Nitaqat's impacts were felt in the company's workplace due to delays in some projects. Another yellow zone local employee, but from a different company, stated that the program affected the firm as it is located in the yellow zone and the current position of the company is not clear, which might affect his future career in his organisation.

• The case was the same with red zone companies. Two local employees said that the program affected the organisational culture and environment, and they were currently looking for other jobs in case their bosses could not find a way to move the business to the green zone.

The local employees working in the private sector were also asked about the benefits of the Nitaqat program to their companies. Nine local employees (four from the green zone, four from yellow zone and one from the red zone) asserted that there were some benefits of applying Nitaqat as follows (refer to Table 2):

**Table 2: Local employees and Nitaqat program 2 of 5**

	Local Employees and Nitaqat Program 2 of 5							
	Nitaqat's benefits to the company						Nitaqat regulations were introduced to local employees	
	Yes					No current benefits	Yes	No
	Define the Saudi private sector	Creating a competitive environment for locals	Creating opportunities for more locals to join the company	Facilitating visa issues	Securing jobs for local employees			
<b>Green zone companies</b>								
Company A				✓			✓	
Company B	✓		✓				✓	
Company C		✓			✓		✓	
Company D				✓			✓	
<b>Yellow zone companies</b>								
Company E			✓				✓	
Company F		✓	✓		✓		✓	
Company G			✓				✓	
Company H			✓				✓	
Company I						✓	✓	
<b>Red zone companies</b>								
Company J						✓	✓	
Company K						✓	✓	
Company L						✓	✓	
Company M			✓				✓	

- One local employee from the green zone said that the program helped define the Saudi private sector by classifying the sectors in more detail.
- Two local employees (one from the green zone and another from the yellow zone) said Nitaqat will create a competitive environment and help in securing jobs for locals in the private sector.
- Six local employees (one from the green zone, four employees from the yellow zone and one from the red zone) stated that Nitaqat will create job opportunities for locals and thus increase the number of Saudis in the private sector.

- Two green zone employees commented that Nitaqat will facilitate the MOL's services such as renewing non-locals' visas and issuing new ones.
- Four local employees (1 yellow zone employee and 3 red zone employees) stated that Nitaqat delivered no benefits to the company.
- All local employees in the 13 companies were asked if Nitaqat regulations were introduced to them, to which they replied in the affirmative.

The thirteen local employees were asked about problems in regard to localising jobs in Saudi Arabia and they responded with the following answers (see Table 3):

**Table 3: Local employees and Nitaqat program 3 of 5**

	Local Employees and Nitaqat Program 3 of 5				
	Barriers to localisation in Saudi Arabia				
	Nature of the job. includes (working hours)	Senior management's trust and their views on the local employees' commitment	Timeframe for localising all the jobs considered to be too short	Salaries	No barriers
<b>Green zone companies</b>					
Company A	✓				
Company B		✓			
Company C					✓
Company D					✓
<b>Yellow zone companies</b>					
Company E		✓			
Company F		✓			
Company G			✓		✓
Company H	✓			✓	
Company I					✓
<b>Red zone companies</b>					
Company J					✓
Company K	✓				
Company L			✓		
Company M		✓			

- Five locals (two green zone employees, two yellow zone employees and one red zone employee) believe that there are no barriers to localising all jobs in Saudi Arabia's private sector.
- According to four locals (one green zone employee, two yellow zone employees and one red zone employee), one challenge to localising jobs is the lack of trust between senior management and the locals; this needs to improve.

- Three locals (one local employee from each zone) said that the nature of the job itself was one such barrier. They said some jobs in Saudi Arabia will not be done by Saudis, such as drivers or cleaners, and it is difficult to recruit locals to carry out these jobs. Others mentioned the odd working hours of some jobs, such as call centre operators.
- Two local employees (one in the yellow zone and another one in the red zone) believed that the time frame that was specified by the MOL to implement the program was too short.
- Only one local employee from the yellow zone companies remarked that the main barrier for localising all jobs in the private sector was salaries. This is because the salaries of locals were much higher than that of non-locals.

The local employees were also asked about the barriers to localising jobs in their companies (refer to Table 3). The answers did not differ much from the previous question about the barriers to localising jobs in Saudi Arabia. Local employees in the participating companies were also asked whether there was an employee replacement process in their companies. The responses were varied (see Table 4):

**Table 4: Local employees and Nitaqat program 4 of 5**

	Local Employees and Nitaqat Program 4 of 5							
	Employees' replacement process in the company			Nitaqat's benefits to the country				
	Does not exist	Exists and is effective	Exists but is not effective	Limits the number of non-locals	Limits the problems that were associated with non-locals	Managing the private sector	Reduces the percentage of un-employment	Transfers knowledge and experiences to the new generation
<b>Green zone companies</b>								
Company A	✓				✓		✓	
Company B			✓			✓	✓	✓
Company C			✓		✓	✓	✓	
Company D		✓					✓	
<b>Yellow zone companies</b>								
Company E	✓						✓	
Company F	✓					✓	✓	
Company G	✓					✓	✓	
Company H	✓			✓	✓		✓	
Company I		✓				✓	✓	
<b>Red zone companies</b>								
Company J	✓			✓			✓	
Company K	✓						✓	
Company L	✓			✓			✓	
Company M	✓						✓	

- Nine local employees (one from the green zone, four from the yellow zone, and four employees from the red zone) said that there was no such process.



- Two local employees (one from the green zone and another one from the yellow zone) said that the employee replacement process did exist and was quite effective in their workplace.

- Two local employees in the green zone companies said the process existed but was not effective.

Furthermore, the local employees were asked about the benefits of the Nitaqat program to the Kingdom of Saudi Arabia:

- All 13 local employees across different zones said the main benefit of applying Nitaqat was reducing the local unemployment rate. Again, this was not surprising as it was the main benefit that was linked to the program when the MOL announced it.

- Five local employees (two from the green zone and three from the yellow zone) said that Nitaqat will assist in defining and organising the Saudi private sector.

- Three locals (one from the yellow zone and two from the red zone) said that the program helped in limiting and controlling the number of non-local employees.

- Three local employees (two from the green zone and one from the yellow zone) said that the program will benefit the country by limiting the problems associated with the non-locals, which can result from social, cultural and religious differences.

- One local employee in a green zone company said Nitaqat will assist in transferring knowledge and experiences to the new-generation local employees in Saudi Arabia.

Local employees were asked if the knowledge they had acquired during their time with their company belonged to them or to the company:

- Nine employees (three green zone employees, five yellow zone employees, and one red zone employee) said that the knowledge belongs to both the company and the employee.

- Three employees from the red zone said that the knowledge belongs to the company.

- Only one employee from the green zone said the knowledge belonged to him.

Furthermore, all the Saudi (local) employees were asked about the best way to transfer knowledge:

- Eleven Saudi employees (four green zone employees, five yellow zone employees, and two red zone employees) said that the best way to transfer knowledge was training courses that involved the “leaving employee” as an instructor.

- Seven Saudi employees (two green zone employees, three yellow zone employees, and two red zone employees) believed the best way was to offer financial rewards.

- One employee from the yellow zone said that the best way to transfer knowledge was to implement new communication tools that could help retain essential knowledge in one accessible place for all employees.

### Analysis and Discussion of interviews with Non-local employees about the Nitaqat Program

The non-local employees who participated in this study were foreign employees working in the Saudi private sector. They held an “employment visa” enabling them to work in their specific sector. Thirteen non-local employees from the private sector were interviewed: four from green zone companies, five from yellow zone, and four from red zone companies. The participants were asked a number of questions. The first question was about the Nitaqat program and whether the program affected the organisation during the implementation (refer to Table 6). Five non-local employees (four from the green zone and one from the red zone) said that Nitaqat did not affect the work or the organisation’s performance. Non-local employees in the green zone companies were not affected by Nitaqat policies. However, employees in the yellow and red zone companies who have worked in the Kingdom for six years have the right to work for another employer in the excellent or green zone companies as a reward for their commitment to localisation. This action has to be taken within three months of the expiry of the employment visa “Iqama” or they will be deported. This rule puts many non-local employees under pressure and has led to an increase in employee turnover in both red and yellow zone companies.

Nine non-local employees (five from the yellow zone and three from the red zone) said Nitaqat affected their business in the following ways:

- Three non-local employees (two from the yellow zone and one from the red zone) said that Nitaqat affected their organisation’s workplace environment. This issue is linked with the next point.

- Three non-local employees (two from the yellow zone and one from the red zone) said that Nitaqat affected life at work by increasing the level of stress, which led to a number of problems for employees.

Cox and Britain (1993) define stress as an interactive psychological state between the individual (internal) and the situation (external), which can affect the individual’s ability to cope with the external situation. Too much stress has many negative outcomes and this issue has been discussed by many scholars such as Cox and Britain (1993), Cooper et al. (1996), Lazarus (1995), Soylu (2007), and Rechter et al. (2013). Nieuwenhuijsen et al. (2010) and Mosadeghrad et al. (2011) discovered evidence for a strong link between stress, work environment, and a number of factors including high job demands, low job control, low co-worker support, low supervisor support, low procedural justice, and low relational justice, as well as external uncontrollable factors such as governmental laws (for example, the localisation program). They also linked stress with many effects such as turnover, absenteeism, aggression, and hostility.

Three non-local employees (two from the yellow zone and one from the red zone) said Nitaqat affected the organisation’s future and made it appear uncertain. In a recent Arab News (2014) article, it was noted that 200,118 private sector companies in the red zone (out of 1.8 million companies in the pri-

**Table 5: Local employees and Nitaqat program 5 of 5**

	Local Employees and Nitaqat Program 5 of 5					
	Knowledge belongs to ...			Best way to transfer knowledge		
	... the company	... the employee	... both company and employee	Financial rewards	Training courses, which include the "leaving employee" as an instructor	Adopting new communication tools
<b>Green zone companies</b>						
Company A			✓	✓	✓	
Company B		✓			✓	
Company C			✓	✓	✓	
Company D			✓		✓	
<b>Yellow zone companies</b>						
Company E			✓	✓	✓	
Company F			✓		✓	✓
Company G			✓	✓	✓	
Company H			✓	✓	✓	
Company I			✓		✓	
<b>Red zone companies</b>						
Company J	✓				✓	
Company K	✓				✓	
Company L	✓			✓		
Company M			✓	✓		

ivate sector) had closed down by 2013. The MOL has confirmed this figure (MOL, 2013a). Notably, around 59% of those firms were small and micro enterprises that need to employ at least one Saudi national. According to the MOL, the number of medium-sized and large firms that closed due to Nitaqat requirements stood at around 200. The uncertain future of red zone companies under the new Nitaqat program was cited by the non-local employees surveyed in this study as a problematic outcome.

Three non-local employees (one from the yellow zone and two from the red zone) said Nitaqat affected not only the company's future but also their job security. On this theme, a study by Kraimer et al. (2005) found that job security wielded an influence on the individual employee's performance. The study also linked employees with low job security, and cited a negative relationship between threat perceptions and supervisor's rat-

ing of a worker's job performance. Luechinger et al. (2010) noted that the significance of job security for the private sector employees was higher compared to public sector employees. The study also shows that the subjective well-being of private sector employees is much more sensitive to fluctuations in unemployment rates compared to public sector employees. Job security in Saudi Arabia's private sector and how the Nitaqat program affects it needs more investigation in the future.

Two non-local employees (one from the yellow zone and one from the red zone) said that Nitaqat affected the organisation as it led to employee turnover resulting in the loss of experienced and expert employees. Abbasi and Hollman (2000, p. 333) have defined employee turnover as "the rotation of workers around the Labor market; between firms, jobs, and occupations; and between the states of employment and unemployment." Employee turnover is always expensive and detrimental,

Table 6: Non-local employees and Nitaqat program 1 of 4

	Non-local Employees and Nitaqat Program 1 of 4						
	Nitaqat affected the organisation during its implementation						
	Yes						No current effects
	Job security	Loss of experts	Project delay	Unclear future	Stress	Work environment	
<b>Green zone companies</b>							
Company A							✓
Company B							✓
Company C							✓
Company D							✓
<b>Yellow zone companies</b>							
Company E		✓	✓				
Company F				✓		✓	
Company G					✓		
Company H	✓				✓		
Company I				✓		✓	
<b>Red zone companies</b>							
Company J	✓						
Company K							✓
Company L	✓			✓		✓	
Company M		✓	✓		✓		

and affects organisational performance (Mueller & Price, 1989). Replacing the leaving employees and selecting, recruiting and training new ones costs a lot of time, money, and effort (Moss-holder et al., 2005).

Park and Shaw (2013) stated that the relationship between total turnover and organisational performance is significant and has negative impact. The reasons for employee turnover have been discussed and listed in many previous studies (Abbasi & Hollman, 2000; Firth et al., 2004; Mano-Negrin & Tzafrir, 2004; Ongori, 2007). These include job stress, lack of commitment to the organisation, extensive job pressures, job dissatisfaction, low wages, powerlessness, economic reasons, organisational instability, poor personnel, toxic workplace environment, poor HR policies and procedures, and lack of motivation. Ongori (2007) showed that employee turnover imposes many difficulties on the company's performance and can be considered expensive due to the hidden costs associated with paying the

leaving employees and hiring new ones. The Nitaqat program has caused a huge employee turnover in red zone and yellow zone companies. Losing the leaving employee's knowledge is one of the most important issues that these companies have to consider. Two non-local employees (one from the yellow zone and one from the red zone) confirmed that Nitaqat affected their organisation's performance by causing project delays.

Non-local employees in the private sector were asked about the benefits of the Nitaqat program to their companies. These were as follows (see Table 7 - next page):

- Nine non-local employees (five from the yellow zone and four from the red zone) said there was no noticeable benefit from Nitaqat to the company.

Table 7: Non-local employees and Nitaqat program 2 of 4

	Non-Local Employees and Nitaqat Program 2 of 4									
	Nitaqat's benefits to the company		Were Nitaqat regulations introduced to the non-local employees in the company?		Barriers to localisation in Saudi Arabia					
	Facilitates Ministry of Labour processes	No current benefits	Yes	No	Education system's outcomes are not related to the Saudi economy	Locals' lack of expertise	Locals' commitment to private sector jobs	Working hours	Nature of the job	Salaries
<b>Green zone companies</b>										
Company A	✓		✓		✓	✓			✓	
Company B	✓		✓		✓					✓
Company C	✓		✓			✓				
Company D	✓		✓							✓
<b>Yellow zone companies</b>										
Company E		✓	✓		✓		✓			
Company F		✓	✓							✓
Company G		✓	✓		✓				✓	
Company H		✓	✓			✓	✓			
Company I		✓	✓			✓		✓	✓	
<b>Red zone companies</b>										
Company J		✓	✓			✓			✓	✓
Company K		✓	✓				✓			
Company L		✓	✓			✓			✓	✓
Company M		✓	✓		✓		✓			

• Four from in the green zone said Nitaqat benefited the company by facilitating MOL processes, such as renewal of the employment visa.

• All non-local employees in the 13 companies were asked whether Nitaqat regulations were introduced to them, to which they replied in the affirmative.

Barriers to localisation from the non-local employees' point of view were evident. The 13 non-local employees were asked about these problems. Their responses were as follows:

• Six non-local employees (two green zone employees, two yellow zone employees and two red zone employees) believed that lack of expertise amongst Saudi nationals was one of the

barriers to localising jobs.

• Five non-local employees (two green zone employees, two yellow zone employees, and one red zone employee) stated that the outcomes of the education system are not related to the requirements of the Saudi economy.

• Five non-local employees (one green zone employee, two yellow zone employees and two red zone employees) said the nature of the job itself was one of the barriers to localisation. They said some jobs in Saudi Arabia, such as drivers or cleaners, would not be done by the locals.

• One employee from the yellow zone cited the working hours of some jobs as a barrier as Saudis were not willing to work for longer hours or during night shifts.



Table 8: Non-local employees and Nitaqat program 3 of 4

	Non-Local Employees and Nitaqat Program 3 of 4						
	Barriers to localisation in the company				Employee replacement process in the company		
	High cost of Saudi labour	Company reputation	Nature of the job	Inexperience of locals	Does not exist	Exists and is effective	Exists but is not effective
<b>Green zone companies</b>							
Company A			✓		✓		
Company B				✓			✓
Company C	✓			✓			✓
Company D	✓		✓			✓	
<b>Yellow zone companies</b>							
Company E				✓	✓		
Company F	✓			✓	✓		
Company G			✓		✓		
Company H			✓		✓		
Company I			✓	✓		✓	
<b>Red zone companies</b>							
Company J		✓			✓		
Company K			✓		✓		
Company L	✓	✓			✓		
Company M	✓		✓	✓	✓		

• One employee from the yellow zone cited the working hours of some jobs as a barrier as Saudis were not willing to work for longer hours or during night shifts.

• Five non-local employees (two green zone employees, one yellow zone employee and two red zone employees) said that the major barrier to localisation were Saudi national citizens' high salaries.

• Four non-local employees (two yellow zone employees and two red zone employees) said that the commitment of locals to private sector jobs was questionable. They had observed that more time and effort was required to trust young Saudi employees.

The non-local employees were asked about the barriers to localising jobs in the companies they were currently working in. The answers were as follows (see Table 8):

• Seven non-local employees (two green zone employees, three yellow zone employees and two red zone employees) said that the nature of the job itself was a barrier.

• Five non-local employees (two green zone employees, one yellow zone employee and two red zone employees) said that the high cost of Saudi national employees was a barrier.

• Six non-local employees (two green zone employees, three yellow zone employees and one red zone employee) commented that the inexperience of locals was a problem.

• Two non-local employees in the red zone companies believed that locals did not want to work in red zone companies.

The non-local employees in participating companies were also asked whether there was an employee replacement process where they worked:

- Nine non-local employees (one from the green zone, four from the yellow zone and four from the red zone) said that there was no such process in the company.
- Two non-local employees (one from the green zone and one from the yellow zone) said that the employee replacement process did exist and was effective in their workplace.
- Two non-local employees in the green zone companies said the process existed but was not effective.

The non-local employees were asked about the benefits of the Nitaqat program to the Kingdom of Saudi Arabia (see Table 9):

**Table 9: Non-local employees and Nitaqat program 4 of 4**

	Non-Local Employees and Nitaqat Program 4 of 4							
	Nitaqat's benefits to the country			Knowledge belongs to...			Best way to transfer knowledge	
	Creates a better future for the Saudi people	Limits the number of non-locals	Reduces unemployment	...the company	...the employee	...both company and employee	Financial rewards	Training courses
<b>Green zone companies</b>								
Company A	✓		✓		✓		✓	.
Company B			✓		.	✓	✓	.
Company C			✓		.	✓	✓	.
Company D			✓			✓	✓	.
<b>Yellow zone companies</b>		.	.		.	.	.	.
Company E		✓	✓		.	✓	✓	.
Company F			✓		✓		✓	✓
Company G			✓		✓		✓	.
Company H			✓		✓		✓	.
Company I			✓		✓		✓	.
<b>Red zone companies</b>		.	.		.	.	.	.
Company J		.	✓		.	✓	✓	.
Company K		✓			✓	.	✓	.
Company L			✓		✓	.	✓	.
Company M		✓	✓		✓		✓	.

- All 13 non-local employees across different zones said that the main benefit from applying Nitaqat was less local unemployment. Again, this was not surprising as the same answer was given by the local employees. This benefit was always what the program intended to do when the MOL announced it.
- Three non-local employees (one from the yellow zone and two from the red zone) believed that Nitaqat helped in limiting the number of non-locals in Saudi Arabia.

- One non-local employee from a green zone business believed that Nitaqat will create a better future for Saudi youth. The employee linked it to the huge number of currently unemployed locals and the crimes that idle young Saudis were committing. The employee believed that Nitaqat will limit such problems associated with unemployment.

The non-local employees were also asked whether the knowledge they had acquired during the time they had spent with their respective companies belonged to them or to the company:

- Eight non-local employees (one green zone employee, four yellow zone employees and three red zone employees) said the knowledge belonged to them.
- 5 non-local employees (three green zone employees, one yellow zone employee and one red zone employee) said that the knowledge belonged to the company as well as the employee themselves.
- Remarkably, none of them considered that the knowledge belonged to the company.

The final question that was put forward to all non-local employees related to the best way to transfer the knowledge for outgoing foreign employees to incoming local employees. Firstly, all non-local employees (four green zone employees, five yellow zone employees and four red zone employees) commented that the best way was to offer financial rewards. Secondly, only one non-local employee from a yellow zone firm mentioned training courses besides financial rewards.

## Conclusion

Recognizing that lost knowledge through replacing employees may be a threat to organizations and country's economy is a critical first step in addressing this phenomenon. Retaining the needed knowledge in organizations relies on people and the ability of HR departments in changing human behaviour. The success of this endeavour depends on the commitment of all HR managers in collaboration with the departing employees and the new ones. Human Resource Departments are playing a major role as a strategic partner for organizations and not as supporting administrative departments due to their role in facilitating knowledge between employees. This paper may only look at a very particular part of the problem with the current situation in Saudi Arabia and highlights the role of knowledge management in facilitating knowledge sharing. The final conclusion from the interviews undertaken with both local and non-local employees suggests that there were many common themes to which all of them agree or disagree. All the employees from the green zone companies responded that there was no great impact of Nitaqat program within their organisations. All the employees working with the red zone companies stated that Nitaqat brings no benefits to their organisations and all of them were worried about losing their jobs. Whereas, all the employees from yellow zone companies were unclear about the current situation and unsure about the future of their companies. They all stated that Nitaqat has resulted in project delays in their organisations. Barriers to implement the Nitaqat program includes; educa-

tion system's outcomes that is not in line with industries' requirements; lack of expertise among local Saudi nationals; commitment of local employees to private sector; odd working hours; blue collar nature of the certain jobs; and private sector salaries which were much lower than salaries awarded by public sector for similar job description, qualification, and experience.

## References

- Bou-Llusar, C.J. and Segarra-Cipres, M. (2006) 'Strategic knowledge transfer and its implications for competitive advantage: an integrative conceptual framework', *Journal of Knowledge Management*, Vol. 10, No. 4, pp.100-112.
- Hippel, E. V. 1994. "Sticky Information" and the Locus of Problem Solving: Implications for Innovation. *Management Science*, 40, 429-439.
- Jennex, M. E., Smolnik, S. & Croasdell, D. T. 2009. Towards a consensus knowledge management success definition. *VINE*, 39, 174- 188.
- Kidwell, J. J., Linde, K. M. V. & Johnson, S. L. 2000. Applying corporate knowledge management practices in higher education. *Educause Quarterly*, 23, 28-33.
- Maqsood, T. 2006. The Role of Knowledge Management in Supporting Innovation and Learning in Construction. PhD Thesis. Doctor of Philosophy, Royal Melbourne Institute of Technology University.
- Nonaka, I. 1994. A Dynamic Theory of Organizational Knowledge Creation. *Organization Science*, 5, 14-37.
- Polanyi (1964) *Personal knowledge: Towards a post-critical philosophy*, Harper & Row.
- Szulanski, G. 2003. *Sticky Knowledge: Barriers to Knowing in the Firm*, SAGE Publications.

# The emerging epidemiology of human trafficking and modern slavery

**Mohsen Rezaeian**

**Correspondence:**

Professor Mohsen Rezaeian

PhD, Epidemiologist

Epidemiology and Biostatistics Department

Occupational Environmental Research Center

Rafsanjan Medical School

Rafsanjan University of Medical Sciences

Rafsanjan-Iran

Tel: +983431315000

Fax: +983431315003

Email: [moeygmr2@yahoo.co.uk](mailto:moeygmr2@yahoo.co.uk)

## Abstract

Although within literature human trafficking is considered as a form of modern slavery, it should be more considered as a mediator for modern slavery. The ultimate intention of human trafficking is to capture humans and sell them to someone who wants to buy and abuse humans in one of the various types of modern slavery, for economic gain from such trade. As a result, human trafficking should be considered as a gross violation of human rights which leads to modern slavery and should be prohibited all through the world. The aim of the present article therefore, is to take a fresh look at the epidemiology of human trafficking and modern slavery.

**Key words:** Epidemiology; human trafficking, modern slavery

## Introduction

Within literature human trafficking is considered as modern slavery (1) or at the very least as a subtype of it (2). However, in my point of view, it should be more considered as a mediator for modern slavery. The ultimate intention of human trafficking is to capture humans and sell them to someone who wants to buy and abuse humans in one of the various types of modern slavery, for economic gain from such trade. Modern slavery may include: prostitution, sexual exploitation, forced labor, bonded labor, forced child labor, slavery, servitude, child soldiering, brides and removal of organs for economic gain (3-5).

As a result, human trafficking should be considered as a gross violation of human rights and a horrific crime which leads to modern slavery and should be prohibited all through the world (6). In other words no one should be allowed to enlist, convey, transfer, harbour or receive a human being through the use of threat, compelling or kidnapping (3).

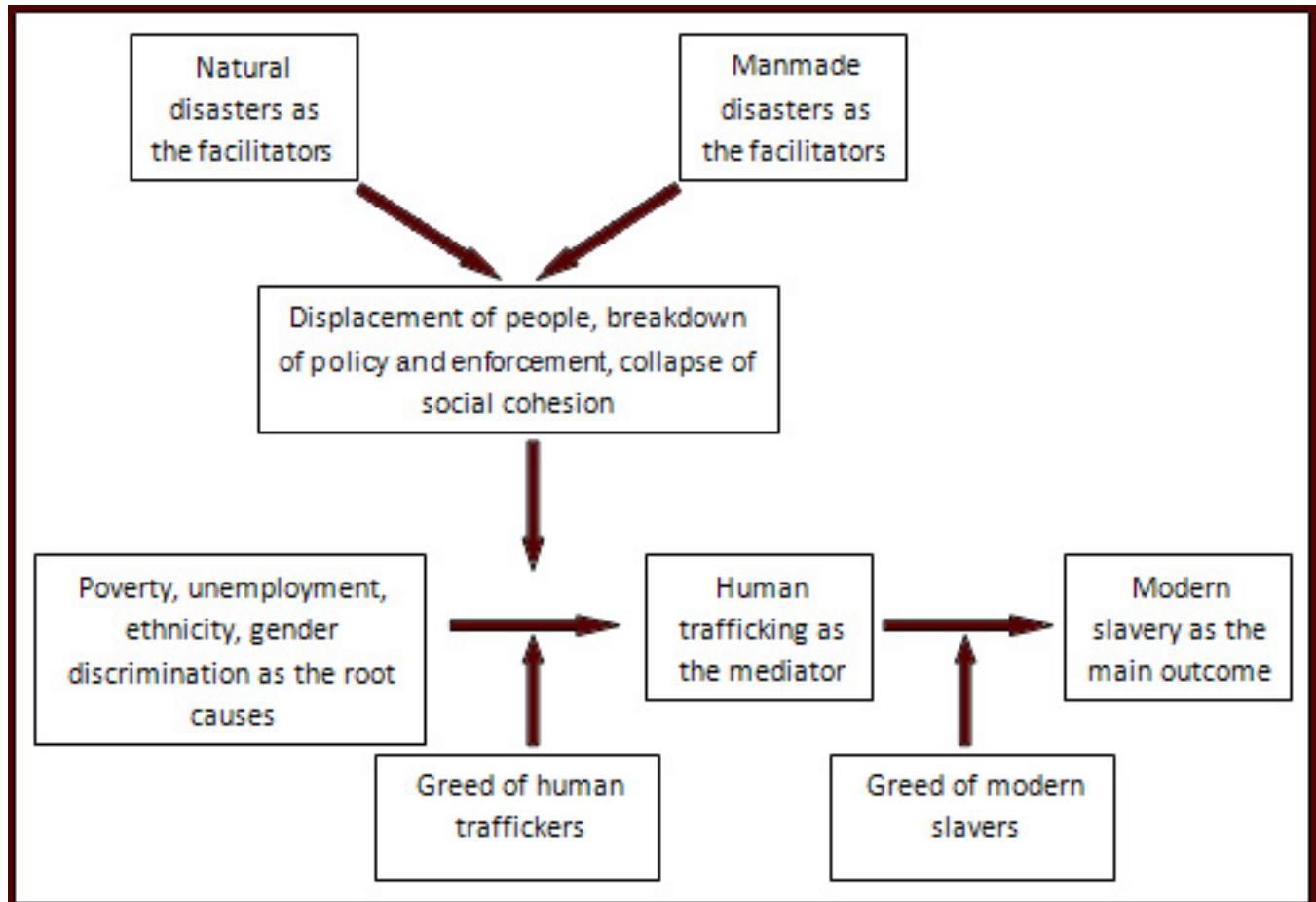
Evidence suggests that if efficient prevention strategies have not been put in place and within a short period of time human trafficking and modern slavery are going to exceed other types of trafficking including arms and drugs (7). It has been estimated that only sex trafficking of women and girls worth \$32 billion annually. Furthermore, the victims of human trafficking will be abused over a number of years being more profitable than arms and drugs that might be abused just once (8). Therefore, given the soaring trend of human trafficking and modern slavery and its profound adverse health consequences, the aim of the present article is to take a fresh look at the epidemiology of human trafficking and modern slavery.



### The epidemiology of human trafficking and modern slavery

It is highly difficult to have a real estimate of the sheer size of human trafficking and modern slavery in the world. There are a number of issues which contribute to this uncertainty. Firstly, human trafficking mostly occurs in those parts of the world where law and order is disrupted due to poverty, war, armed conflicts, natural disasters, social unrest due to existence of nondemocratic governments (9).

This is not happening unintentionally but it rather highlights a cause and effect relationship. Poverty, unemployment, ethnicity, gender discrimination as the most important social determinants are the root causes of modern slavery (10) and in this relation, human trafficking acts as the mediator. Moreover, manmade disasters together with natural disasters and due to displacement of people, breakdown of policy and enforcement, collapse of social cohesion could be considered as the facilitators (Figure 1).



**Figure 1: The relation between poverty, unemployment, ethnicity, gender discrimination as the root causes and modern slavery as the main outcome taking into consideration the role of human trafficking as the mediator and manmade and natural disasters as the facilitators**

In any out of law and order places it is very difficult to gather even straightforward data; therefore, gathering sensitive data such as detail of human trafficking would be rather impossible. Secondly, there are different definitions and connotations for human trafficking and modern slavery making their measurement very difficult (11). Thirdly, those who are involved in human trafficking either as the perpetrator and/or even some victims while they are in captivity chose to be silent for not being caught by officials or due to fear and shame, respectively. Therefore, we always should consider underreporting and underestimation in any human trafficking and modern slavery reports.

Given the above discussion, the newly published 2016 third edition of the Global Slavery Index, by using a rather methodological sound approach, provides the latest estimates. Based on this report, currently in our world there are 45.8 million of people who live as modern day slaves substantially more than the 2014 estimate which was 35.8 million enslaved people. Fifty eight percent of 45.8 million enslaved people are in five countries which are India, China, Pakistan, Bangladesh and Uzbekistan. Furthermore, the countries with the highest prevalence of modern slavery are: North Korea, Uzbekistan, Cambodia, India, Qatar, Pakistan, Democratic Republic of the Congo, Sudan, Iraq, Afghanistan, Yemen, Syria, South Sudan, Somalia, Libya, Central African Republic, Mauritania, Haiti, Dominican Republic, Myanmar and Bangladesh (11).

A report that was published in 2014 by the United Nations Office on Drugs and Crime reveals that across the world and from 2010 to 2012 victims with 152 diverse nationalities were identified in 124 countries. Furthermore, 49%, 21%, 18% and 12% of detected victims are adult women, girls, adult men and boys, respectively. This report also provides a very useful typology on the organizations which are involved in human trafficking. Based on this typology we can identify three types of organizations as follows: Firstly, there are Small Local Operations which are involved in short-distance trafficking of very few people with limited profits. Secondly, there are Medium Sub-regional Operations which are involved in Sub-regional trafficking of few people with higher profits. Thirdly,

there are Large Trans-regional Operations which are involved in long-distance trafficking of large numbers of people with very high profits (12).

Investigating the geographical pattern of trans-regional trafficking reveals that: Middle East, Western and Central Europe, and North and Central America and the Caribbean, are the main destinations of this highly profitable investment. Whilst the origins of victims seems to be diverse and includes countries in most other regions including: East Asians, South Asians, Eastern and Central Europeans, Sub-Saharan Africans and South Americans (12) (Figure 2).



**Figure 2: A map demonstrating the major target areas of trans-regional trafficking flows (in blue) and their noteworthy origins, 2010-2012.**

Source: UNODC, Global Report on Trafficking in Persons 2014. (United Nations publication, Sales No. E.14.V.10).

This map also highlights another important and evoking issue. As it has been mentioned earlier the origin of trans-regional trafficking relates to the places where law and order is disrupted due to poverty, war, armed conflicts, natural disasters and social unrest due to existence of nondemocratic governments. Nevertheless, some of the main destinations of this trans-regional trafficking, or the places that modern slavery actually happen, are places where there seems to be law and order in place i.e. Central Europe and North and Central America. According to CNN in 2014 Atlanta's illegal sex industry makes more than \$290 million (13). This trend not only explains why we should distinguish between human trafficking and modern slavery but it also reminds us how difficult it would be to prevent these social sicknesses.

### The health consequences of human trafficking and modern slavery

Human trafficking and modern slavery have profound physical and psychological health consequences. This occurs because the victims experience a vast array of physical and mental health problems including appalling living situations, unsafe working circumstances, inadequate sanitation, poor nutrition, physical and psychological violence, and postponement in seeking medical care (5).

Given the hidden nature of human trafficking and modern slavery the research on physical and psychological health consequences of these social sicknesses are extremely limited. This is especially the case when people are in captivity. Therefore, in what follows the results of only a few most recent studies on physical and mental health symptoms of survivors of human trafficking and modern slavery are reported:

The results of a study on the physical health symptoms of 120 trafficked women who had received post-trafficking support in Moldova have revealed that 61.7%, 60.9% and 44.2% of them have reported headaches, stomach pain and memory problems, respectively (14).

A study on 387 children and adolescents aged 10 to 17 years, survivors of human trafficking in the Greater Mekong Sub-region which includes Thailand, Vietnam, Cambodia, Laos, Myanmar, and Yunnan Province of China, revealed that: 12% had tried to commit suicide in the month before the interview, 56% had symptoms of depression, 33% had symptoms of anxiety disorder, and 26% had symptoms of posttraumatic stress disorder (15).

In another study and by interviewing more than 1000 people who entered post-trafficking services in Cambodia, Thailand, and Vietnam it has been revealed that: 5.2% had tried to commit suicide in the past month, 61.2% had reported symptoms of depression, 42.8% had reported symptoms of anxiety, and 38.9% had reported symptoms of post-traumatic stress disorder. Furthermore, 48% reported physical violence, sexual violence, or both, 47% reported to be threatened and 20% reported to be locked in a room. Finally, 22% reported to have a severe injury at work. (16).

The results of a study on the psychological health of 66 sexually trafficked female survivors in Nepal have highlighted that 85.5% had reported symptoms of depression, 87% had reported symptoms of anxiety, and 29.7% had reported symptoms of post-traumatic stress disorder (17).

### How to prevent human trafficking and modern slavery

In terms of epidemiological knowledge it would be possible to prevent any dilemmas such as human trafficking and modern slavery in a vast array of prevention strategies. From primordial and primary prevention which seek to prevent something before it happens to secondary and tertiary prevention

which seeks to identify the problem and to stop its progress and complications as soon as possible.

It is no doubt that for such profound social sicknesses as human trafficking and modern slavery, it would be better to apply primordial and primary prevention strategies. Human beings are born free and they should have the right to live freely. No one should gain whatsoever the illegitimate power to force another human being to be a subject of modern slavery. Unfortunately however, human trafficking and modern slavery as inhuman social sicknesses are happening increasingly in our world and in front of our eyes.

We are all responsible no matter if we work in academia, governmental organizations, international organizations, charities, etc. We should all stand up and through close collaboration make a strong coalition against such evil phenomenon to eradicate them once and forever. Combating the root causes of human trafficking and modern slavery including poverty or its facilitator factors including wars, armed conflicts, natural disasters, social unrest due to existing of undemocratic governments, etc. should be a mandate for all of us. We also need enforcement of efficient policies (9 & 10). It has already been mentioned that taking this path would be very difficult but we should take it if we desire to protect humanity.

Furthermore, it is absolutely vital that immediately after any natural or manmade disasters proper attention is paid to the needs of the vulnerable groups such as women and children who are separated from their family (18). These people are more prone to violence and trafficking. Therefore, they should immediately be recognized and reunited with their family or obtain legal support from the relevant officials (19 & 20). Unfortunately, according to a recent report by the Guardian at least 10,000 unaccompanied child refugees have vanished after arriving in Europe mostly due to the activities of organized trafficking syndicates (21).

For secondary and tertiary prevention however, it seems that among all staff of public sectors and services, health care professionals have a major role to play (22). As it has been discussed earlier, human trafficking and modern slavery have profound physical and mental health consequences. Therefore, it is highly likely that due to these problems the victims are ultimately in contact with emergency departments and/or mental health services.

The results of a cross-sectional survey on National Health Service (NHS) professionals in UK has revealed that: 13% of them reported prior contact with a patient likely of having been trafficked, however, 86.8% reported insufficient awareness of what questions to ask to recognize possible victims and 78.3% reported that they had inadequate training to help victims of human trafficking (23).

This explains why health service professionals should be sufficiently trained about how to recognize a victim of human trafficking. Furthermore, they should be trained on how to efficiently manage such victims taking into consideration the



available supports. Therefore, they should be educated on how to competently collaborate with law enforcement authorities and engage advocacy partners. In order to fulfill all above educational goals, the medical schools need to revise their medical curriculum based on the existing evidence and more educational resources and textbooks should be developed (24-26). Fortunately, existing evidence has highlighted how a brief training intervention for emergency providers could largely increase their confidence and abilities to identify and treat a trafficked patient (27 & 5).

## Conclusion

The ultimate intention of human trafficking is to give illegitimate power to a human being in order to force another human being to be a subject of modern slavery i.e. prostitution, sexual exploitation, forced labor, slavery, servitude, child soldiering, brides and removal of organs for economic gain. As a result, human trafficking should be considered as a gross violation of human rights which leads to modern slavery. Both human trafficking and modern slavery should be eradicated by a coalition and close collaboration of national governments and relevant national and international organizations.

## References

- Logan TK, Walker R, Hunt G. Understanding human trafficking in the United States Trauma Violence Abuse. 2009 Jan;10(1):3-30.
- Doezema J. Loose women or lost women? The re-emergence of the myth of white slavery in contemporary discourses of trafficking in women. *Gender Issues*. 2000 Winter;18(1):23-50.
- United Nations Office on Drugs and Crime (UNODC). United Nations Convention Against Transnational Organized Crime and the Protocols Thereto. Vienna. 2004.
- Barrows J, Finger R. Human trafficking and the healthcare professional. *South Med J*. 2008 May;101(5):521-4.
- Grace AM, Lippert S, Collins K, Pineda N, Tolani A, Walker R, et al. Educating health care professionals on human trafficking. *Pediatr Emerg Care*. 2014 Dec;30(12):856-61.
- Ronda-Pérez E, La Parra D. Eradicating human trafficking: a social and public health policy priority. *Epidemiol Psychiatr Sci*. 2016 Apr 18;1-2. [Epub ahead of print]
- Wheaton EM, Schauer EJ, Galli TV. Economics of human trafficking. *Int Migr*. 2010;48(4):114-41.
- Deshpande NA, Nour NM. Sex trafficking of women and girls. *Rev Obstet Gynecol*. 2013;6(1):e22-7.
- Rezaeian M. Challenges of developing countries' epidemiologists in the 21st century. *Acta Med Iran*. 2016;54(1):4-8.
- Perry KM, McEwing L. How do social determinants affect human trafficking in Southeast Asia, and what can we do about it? A systematic review. *Health Hum Rights*. 2013 Dec 12;15(2):138-59.
- "Global Slavery Index." Walk Free Foundation. <http://www.globallslaveryindex.org/> Retrieved 4 June 2016.
- United Nations Office on Drugs and Crime (UNODC). Global Report on Trafficking in Persons 2014. Vienna. 2014.
- CNN. Sex trafficking: The new American slavery. <http://edition.cnn.com/2015/07/20/us/sex-trafficking/>. Last accessed June 2016.
- Oram S, Ostrovski NV, Gorceag VI, Hotineanu MA, Gorceag L, Trigub C, Abas M. Physical health symptoms reported by trafficked women receiving post-trafficking support in Moldova: prevalence, severity and associated factors. *BMC Womens Health*. 2012 Jul 26;12:20.
- Kiss L, Yun K, Pocock N, Zimmerman C. Exploitation, Violence, and Suicide Risk Among Child and Adolescent Survivors of Human Trafficking in the Greater Mekong Subregion. *JAMA Pediatr*. 2015 Sep;169(9):e152278.
- Kiss L, Pocock NS, Naisangsri V, Suos S, Dickson B, Thuy D, et al. Health of men, women, and children in post-trafficking services in Cambodia, Thailand, and Vietnam: an observational cross-sectional study. *Lancet Glob Health*. 2015 Mar;3(3):e154-61.
- Rimal R, Papadopoulos C. The mental health of sexually trafficked female survivors in Nepal. *Int J Soc Psychiatry*. 2016 Jun 3. pii: 0020764016651457. [Epub ahead of print]
- Rezaeian M. The association between natural disasters and violence: a systematic review of the literature and a call for more epidemiological studies. *J Res Med Sci* 2013;18:1103-7.
- Pittaway E, Bartolomei L, Rees S. Neglected issues and voices. *Asia Pac J Public Health* 2007;19:69.
- Brandenburg MA, Watkins SM, Brandenburg KL, Schieche C. Operation Child-ID: Reunifying children with their legal guardians after Hurricane Katrina. *Disasters* 2007;31:277-87.
- The Guardian. 10,000 refugee children are missing, says Europol. <http://www.theguardian.com/world/2016/jan/30/fears-for-missing-child-refugees>. Last accessed June 2016.
- O'Callaghan MG. The health care professional as a modern abolitionist. *Perm J*. 2012 Spring;16(2):67-9.
- Ross C, Dimitrova S, Howard LM, Dewey M, Zimmerman C, Oram S. Human trafficking and health: a cross-sectional survey of NHS professionals' contact with victims of human trafficking. *BMJ Open*. 2015 Aug 20;5(8):e008682.
- Stoklosa H, Grace AM, Littenberg N. Medical education on human trafficking. *AMA J Ethics*. 2015 Oct 1;17(10):914-21.
- Domoney J, Howard LM, Abas M, Broadbent M, Oram S. Mental health service responses to human trafficking: a qualitative study of professionals' experiences of providing care. *BMC Psychiatry*. 2015 Nov 17;15:289.
- Ahn R, Alpert EJ, Purcell G, Konstantopoulos WM, McGahan A, Cafferty E, et al. Human trafficking: review of educational resources for health professionals. *Am J Prev Med*. 2013 Mar;44(3):283-9.
- Chisolm-Straker M, Richardson LD, Cossio T. Combating slavery in the 21st century: the role of emergency medicine. *J Health Care Poor Underserved*. 2012 Aug;23(3):980-7.



# The Business of Slavery

**Lesley Pocock**

## Correspondence:

*Publisher and Managing Director*

*medi+WORLD International*

*Macleay Island,*

*Queensland 4184*

*Australia*

**Email:** [lesleypocock@mediworld.com.au](mailto:lesleypocock@mediworld.com.au)

## Introduction

Man's inhumanity to man is not a new phenomenon. It has been with us since the very beginning. One would have hoped that in a time when people have better and regular access to food and other basic resources, this evil would start to disappear from society. With better education and more knowledge, you would have thought that ignorance based on fear of the unknown, and superficial differences of other people, would have also dissipated. You would have thought that in the current world the women and children in our families would be protected rather than being increasingly exploited in increasingly nefarious ways. Which leads us to the fact, that mostly the perpetuation of slavery is based, as it always was, on unrelenting greed, selfishness and innate cruelty.

Our DNA shows us that indeed we are all the same people, rising in Africa and then spreading out from the Middle East region to all quarters of the globe. Our paternal (Y chromosome) DNA and maternal (mitochondrial) DNA show that we are all the same 'family' and dating back to our collective Middle East paternity and maternity. At different stages in our history we have changed skin colour and back again depending on our climate, geography and diet. (11) Unfortunately we still as a whole think that some of us are more deserving than others. Such thinking is and always has been, let us be honest, an excuse to exploit others. While some individuals through lack of power, money, advantage, education, health, or their gender, seem less able to protect themselves, (or are more desperate), a civilised culture should always allow for these misfortunes of birth and treat their brothers and sisters as themselves. We should show mercy to the less fortunate rather than see them as yet another planetary resource to be exploited.

## Global Slavery Index 2016 <sup>(1)</sup> UNODC Report 2014 <sup>(2)</sup> and the Business of Slavery

The Global Slavery Index 2016, came out in June 1, 2016 and it is not pretty reading. The facts provide enough commentary in their own right so this article sets out to briefly highlight the business side of this plight of human misery caused by humans against other humans and will attempt to highlight some solutions for control and eradication. It would seem this endemic evil practised in so many ways, big and small, from

large scale organised crime, multinational sweat shops to domestic and sexual servitude against women and children will never end. Some countries however have taken steps to stop this trade.

Also, tellingly, most slaves are women and children (49% and 33% respectively)(1). This means only 18% of global slaves is men. The historical view of slavery was men in chains, forced into hard labour. Now it is women and children in rape houses or domestic or industrial servitude. The world's most cruel, dirty and toxic work is now the domain of female and child slaves(2).

The Global Slavery Index , was compiled by human rights group Walk Free Foundation, and increased its estimate of people currently in servitude, trafficked for sex work, or trapped in debt bondage or forced labour and forced marriage to 45.8 million from 35.8 million in 2014.(1)

- Almost 21 million people are victims of forced labour - 11.4 million women and girls and 9.5 million men and boys.
- Almost 19 million victims are exploited by private individuals or enterprises and over 2 million by state or rebel groups.
- Of those exploited by individuals or enterprises, 4.5 million are victims of forced sexual exploitation.
- Forced labour in the private economy generates US\$ 150 billion in illegal profits per year.
- Domestic work, agriculture, construction, manufacturing and entertainment are among the sectors most concerned.
- Migrant workers and indigenous people are particularly vulnerable to forced labour.

Since 2010, when the General Assembly mandated UNODC to produce their report under the UN Global Plan of Action to Combat Trafficking in Persons, there has been little improvement in the overall criminal justice response (2).

More than 90% of countries have legislation criminalizing human trafficking since the Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children,

under the United Nations Convention against Transnational Organized Crime, came into force more than a decade ago. At the same time, we have continued to see an increase in the number of detected child victims, particularly girls under 18.

Most detected trafficking victims are subjected to sexual exploitation, but we are seeing increased numbers trafficked for forced labour. Between 2010 and 2012, victims holding citizenship from 152 different countries were found in 124 countries. (2)

It should be kept in mind that official data reported to the Global Slavery Index, UNODC represents only what has been detected.

Globally, children now comprise nearly one third of all detected trafficking victims. Out of every three child victims, two are girls and one is a boy. However, children are vastly outnumbered by adults, mainly women. (1,2)

Trade is mostly to wealthier countries where the slave traders can maximise their returns and often but not always from poorer countries and countries in crisis that cannot or will not offer any protection to their citizens. For these reasons, as shown in the Global Slavery Index's section on trafficking flows (1) (see map on page 34 of this journal), the rich regions of the world attract more transregional trafficking than the poorer parts of the world. Refugees, economic migration and 'illegal' migration also provide a pool of new victims and may offer some 'advantages' to the traffickers in terms of the victims' potentially increased vulnerability to control and coercion, as factors such as language and migration status (often illegal) may prevent victims from reporting to national authorities. (1)

This does not mean that there is less trafficking in poor countries, or that the victims exploited in poor countries suffer less. Poor countries may attract more or fewer victims than richer ones. However, in poorer countries, the geographical scope of the trafficking is usually limited to domestic or subregional trafficking, while the richer countries see victims trafficked in from a larger number of origin countries from different regions. (2)

According to ILO LABORSTA, LABORSTA, an International Labour Office the average monthly pay for a labourer in the construction industry in Canada was around 2,000 Euros per month for the period considered. According to ILO LABORSTA, the monthly pay for a labourer in the Balkans for services in hotels and restaurants was around 220 Euros per month for the period considered. (9)

The revenue from human trafficking is large, an annual estimated average of US\$ 13,000 per trafficked victim totalling US\$ 32 billion. Trafficked individuals are assessed as much as US\$ 100,000 each in the United States and reports that slavery is a US\$ 13 billion industry. (3,8)

Different trafficking operations have one key element in common: the business around the exploitation of the victims. With a few exceptions (such as child soldiers, removal of body parts for rituals and some other forms that comprise a small share of the total number of victims), the vast majority of trafficking is aimed at obtaining economic benefit from the labour and services extorted from the victims.

North Korea is ranked as worst in terms of concentration with one in every 20 people - or 4.4 per cent of its 25 million population - in slavery and its Government doing the least to end the situation with reports of state-sanctioned forced labour. This is not surprising given a brutal dictatorship, with a history of horrific crimes against its own humanity and it requires a global political solution.

The 2016 index again found Asia, which provides low-skilled labour in global supply chains producing clothing, food and technology, accounted for two-thirds of the people in slavery. Even then this is problematic in that if workers rights are enforced the multinational manufacturer moves on to other countries where there are no such labour laws and there it exploits a different population. Consumer education (to avoid particular brands) has had some small bearing on improving the situation. Often however, a slave wage for workers is better than no wage at all - the time spent in low wage labour may have been more economically beneficial spent on subsistence agriculture, or care and education of children in the family for example, and the real value of the worker's labour, not apparent. It is a paradox acknowledged even by the ILO. (4,5,6,7)

South Asia, with India at its centre, is the fastest-growing and second-largest region for human trafficking in the world, after East Asia, according to the UN Office for Drugs and Crime. (2)

There are no accurate figures on the number of people trafficked within South Asia, but activists say thousands of mostly women and children are trafficked within India as well as from its poorer neighbours Nepal and Bangladesh. (2)

Many are sold into forced marriage or bonded labour to work in middle-class homes as domestic servants, in small shops and hotels or confined to brothels where they are repeatedly raped. (2)

Sex trafficking will be treated separately in the following section as it is in a category of its own, there being no product involved, just the committing of the crime of rape and assault with impunity, so it is really more a human rights issue than a socio-economic issue despite it generating billions of dollars.

The slave conditions and salaries of third world workers in the garment and shoe trades, particularly have been well highlighted (4, 5, 6, 7). The success of low cost attire manufacturing is based on cheap and subservient labour. It usually takes a major disaster resulting in the deaths of numerous workers to bring it back into world attention however (4,5,6,7).

### The 'sex trade'

It is mostly accepted these days that the 'products' of sex slavery and the so called sex industry is rape, and criminal assault, and it always has been. Trafficking women and children for sexual exploitation is the fastest growing criminal enterprise in the world. This, despite the fact international law and the laws of 134 countries criminalize sex trafficking.(8)

It is both a crime against humanity and increasingly so against women, children and even babies. In the case of babies and children it is always torture and often murder. Shockingly women are also involved in trafficking crimes against their own gender and far too often against members of their own families.

To spare the sensibilities of the author and the reader I will not go into full details of the many manifestations of this heinous crime other than point out the 'product' in the sex industry is to allow the criminals involved, to commit crime with impunity. The business of sex trafficking and prostitution provides no product at all just the further degradation and debasement of both the rapist and the victim. The criminal pay their price to the pimp or pornographer in cash or credit card, rather than pay for their crime in prison.

Fortunately many countries do have strict policies and legal systems that do protect not just their own citizens from these crimes but also people trafficked into the country . Sweden, Norway and Iceland have always been a good example and in April 2016, France also criminalised prostitution (the 'clients' not the victims) in an attempt, among other issues, to stem the flow of trafficked women into that country. It was also to give trafficked women temporary residence rights allowing them stay and find legitimate work.

Unfortunately in some countries the sex trade has been tolerated (12) because prohibition can send these crimes underground and back into families/homes. It does not seem right however, to sacrifice and enslave some women for the safety of others, rather this global problem needs to be sorted properly once and forever.

Public education to recognise that women and children are indeed human and do have human rights is required along with effective and well equipped border protection and civil protection, in each country.

### Global Sex Trafficking Fact Sheet <sup>(8)</sup>

Trafficking women and children for sexual exploitation is the fastest growing criminal enterprise in the world. This, despite the fact international law and the laws of 134 countries criminalize sex trafficking.

- At least 20.9 million adults and children are bought and sold worldwide into commercial sexual servitude, forced labour and bonded labor.2
- About 2 million children are exploited every year in the global commercial sex trade.

- Almost 6 in 10 identified trafficking survivors were trafficked for sexual exploitation.
- Women and girls make up 98% of victims of trafficking for sexual exploitation.

### Sex trafficking is a human rights violation

Sex trafficking - whether within a country or across national borders - violates basic human rights, including the rights to bodily integrity, equality, dignity, health, security, and freedom from violence and torture. Key international human rights treaties, including the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), consider sex trafficking a form of sex discrimination and a human rights violation. (8)

The UNICEF 2005 report estimated that "1.2 million children are sold into 'sex slavery' every year and 2 million children- mainly girls, but also a significant number of boys- are believed to be part of the multi-billion dollar commercial sex trade." The average age of a girl enslaved by sex trafficking/prostitution is 12-14 years old.

### UK Modern Slavery Act 2015

The Walk Free Foundation, The Global Slavery Index and other NGOs have praised the UK Modern Slavery Act 2015 as the only currently devised national legislation to address the business of 'Modern Slavery'. The following outline is provided to educate businesses, governments and NGOs on how they can particularly address this global problem.

The legislation addresses the following components (in an abbreviated form):

### Definition of Slavery, servitude and forced or compulsory labour

(1) A person commits an offence if-

(a) the person holds another person in slavery or servitude and the circumstances are such that the person knows or ought to know that the other person is held in slavery or servitude, or

(b) the person requires another person to perform forced or compulsory labour and the circumstances are such that the person knows or ought to know that the other person is being required to perform forced or compulsory labour.

(2) the references to holding a person in slavery or servitude or requiring a person to perform forced or compulsory labour are to be construed in accordance with Article 4 of the Human Rights Convention.

(3) In determining whether a person is being held in slavery or servitude or required to perform forced or compulsory labour, regard may be had to all the circumstances.

(4) For example, regard may be had-

(a) to any of the person's personal circumstances (such as the person being a child, the person's family relationships, and any mental or physical illness) which may make the person more vulnerable than other persons;

(b) to any work or services provided by the person, including work or services provided in circumstances which constitute exploitation within section 3(3) to (6).

(5) The consent of a person (whether an adult or a child) to any of the acts alleged to constitute holding the person in slavery or servitude, or requiring the person to perform forced or compulsory labour

### Human trafficking definition

1) A person commits an offence if the person arranges or facilitates the travel of another person with a view to that person being exploited.

(2) It is irrelevant whether that person consents to the travel (whether that person is an adult or a child).

(3) A person may in particular arrange or facilitate that person's travel by recruiting that person, transporting or transferring that person, harbouring or receiving that person, or transferring or exchanging control over that person .

(4) A person arranges or facilitates that person's travel with a view to that person being exploited only if-

(a) the person intends to exploit that person (in any part of the world) during or after the travel, or

(b) the person knows or ought to know that another person is likely to exploit that person (in any part of the world) during or after the travel.

(5) "Travel" means-

(a) arriving in, or entering, any country,

(b) departing from any country,

(c) travelling within any country.

(6) A person who is a UK national commits an offence under this section regardless of-

(a) where the arranging or facilitating takes place, or

(b) where the travel takes place.

(7) A person who is not a UK national commits an offence under this section if-

(a) any part of the arranging or facilitating takes place in the United Kingdom, or

(b) the travel consists of arrival in or entry into, departure from, or travel within, the United Kingdom.

### Definition of exploitation

(1) a person is exploited only if one or more of the following subsections apply in relation to the person.

(2) The person is the victim of behaviour-

(a) which involves the commission of an offence under section 1, or

(b) which would involve the commission of an offence under that section if it took place in England and Wales.

### Regarding Sexual exploitation

(3) Something is done to or in respect of the person-

(a) which involves the commission of an offence under-

(i) section 1(1)(a) of the Protection of Children Act 1978 (indecent photographs of children), or

(ii) Part 1 of the Sexual Offences Act 2003 (sexual offences), as it has effect in England and Wales, or

(b) which would involve the commission of such an offence if it were done in England and Wales.

Removal of organs etc

(4) The person is encouraged, required or expected to do anything-

(a) which involves the commission, by him or her or another person, of an offence under section 32 or 33 of the Human Tissue Act 2004 (prohibition of commercial dealings in organs and restrictions on use of live donors) as it has effect in England and Wales, or

(b) which would involve the commission of such an offence, by him or her or another person, if it were done in England and Wales.

Securing services etc by force, threats or deception

(5) The person is subjected to force, threats or deception designed to induce him or her-

(a) to provide services of any kind,

(b) to provide another person with benefits of any kind, or

(c) to enable another person to acquire benefits of any kind.

Securing services etc from children and vulnerable persons

(6) Another person uses or attempts to use the person for a purpose within (various paragraphs and subsections) , having chosen him or her for that purpose on the grounds that-

(a) he or she is a child, is mentally or physically ill or disabled, or has a family relationship with a particular person, and

(b) an adult, or a person without the illness, disability, or family relationship, would be likely to refuse to be used for that purpose.

### Protection measures available to victims

1. Defence for slavery or trafficking victims who commit an offence

2. Special measures for witnesses in criminal proceedings

3. Civil legal aid for victims of slavery

4. Independent child trafficking advocates

5. Guidance about identifying and supporting victims

6. Regulations about identifying and supporting victims

7. Presumption about age

8. Duty to notify Secretary of State about suspected victims of slavery or human trafficking

9. Overseas domestic workers



The UK Slavery Act 2015 requires companies with an annual turnover of £36 million or more to report on steps they have taken to safeguard their global supply chains from modern slavery.[10]

One of the innovations of this legislation is a requirement that British companies with a turnover of £36 million or more are required to publish a statement detailing what steps-if any-are taken to eradicate slavery within their business and supply chains.

## Discussion

Trafficking happens everywhere, but as the Slavery Index shows most victims are trafficked close to home, within the region or even in their country of origin, and their exploiters are often fellow citizens. In some areas, trafficking for armed combat or petty crime, forced marriage, domestic servitude, for example, are significant problems.

Responses therefore need to be tailored to national and regional specifics if they are to be effective, and if they are to address the particular needs of victims, who may be child soldiers or forced beggars, or who may have been enslaved in brothels or sweatshops. (2)

While a majority of trafficking victims are subjected to sexual exploitation, other forms of exploitation are increasingly detected. Trafficking for forced labour - a broad category which includes, for example, manufacturing, cleaning, construction, catering, restaurants, domestic work and textile production - has increased steadily in recent years. Some 40 per cent of the victims detected between 2010 and 2012 were trafficked for forced labour.

Trafficking for exploitation that is neither sexual nor forced labour is also increasing. Some of these forms, such as trafficking of children for armed combat, or for petty crime or forced begging, can be significant problems in some locations, although they are still relatively limited from a global point of view.

There are considerable regional differences with regard to forms of exploitation and in regards to legislation and control. While trafficking for sexual exploitation is the main form detected in Europe and Central Asia, in East Asia and the Pacific, it is forced labour. In the Americas the two types are detected in near equal proportions.

## Recommendations

Legislation, well enforced and policed is the key.

Consumers also can eliminate the problem, overnight. In previous editorials I have called for 'ethical consumerism' in the hope that it may excite the conscience of humans and while some seem open to the idea when it comes to choosing brands of coffee and chocolate, and there is an emerging awareness as to if our clothing has been made in sweatshops or by more reputable manufacturers, there is still a long way to go.

Public education and programs to educate companies that all forms of slavery are a serious crime, not just against the person or persons involved but crimes against humanity generally. They also need to check their supply chains.

If there is a failure by men to cease their involvement on the sex trade perhaps victims of the sex trade should be encouraged and enabled to sue their rapists, sue governments and organisations that have failed to protect them along with the person or persons involved in their trafficking or servitude and have all incarcerated. This may be the only way to end this most shameful of human activity. Coupled with this Public education to recognise that women and children are indeed human and do have human rights is required along with effective and well equipped border protection and civil protection, in each country.

## References

- (1) Global Slavery Index 2016 (<http://www.globalslaveryindex.org/>)
- (2) UNODC Report 2014 (<http://www.unodc.org/unodc/en/human-trafficking/global-report-on-trafficking-in-persons.html>;  
[www.unodc.org/documents/data-and-analysis/glotip/GLOT-IP\\_2014\\_full\\_report.pdf](http://www.unodc.org/documents/data-and-analysis/glotip/GLOT-IP_2014_full_report.pdf))
- (3) Wheaton EM, Schauer EJ, Galli TV. Economics of human trafficking. *Int Migr.* 2010;48(4):114-41.
- (4) Anam Russell. The Impact of Free Market Economy or Neoliberalism on Labour: Evidence from the Garment Export Sector in Bangladesh. April 2016. Volume 11, Issue 2
- (5) Anam Russell,. Garment Industry in Bangladesh: An Era of Globalization and Neo-Liberalization
- (6) Purna Chandra Padhan, K S Sujit. The Impact of Recent Global Recession on the Indian Textile Industry DOI: 10.5742/MEJB.2013.81187 April 2015  
Volume 10, Issue 2
- (7) Ferdous Ahamed. Background of History of Bangladesh and Ready-made Garment Industry: Key challenges in the RMG Industry, Volume 8; Issue 1' January 2013.  
DOI: 10.5742/MEJB.2013.81188
- (8) [www.equalitynow.org/sites/default/files/Global\\_Sex\\_Trafficking\\_EN\\_V3.pdg](http://www.equalitynow.org/sites/default/files/Global_Sex_Trafficking_EN_V3.pdg)
- (9) LABORSTA, an International Labour Office ([laborsta.ilo.org/](http://laborsta.ilo.org/))  
International labour organisation (ILO) <http://www.ilo.org/global/about-the-ilo/lang--en/index.htm>  
<http://www.ilo.org/global/topics/forced-labour/lang--en/index.htm>
- <http://www.pbs.org/wgbh/pages/frontline/slaves/etc/stats.html>;
- (10) <http://www.legislation.gov.uk/ukpga/2015/30/contents/enacted>
- (11) DNA Nation. SBS Special Broadcasting Services. Australia 2016
- (12) Parliament of Victoria - Research Papers. [www.parliament.vic.gov.au/.../2222-sex-work-and-other-acts-amendment-bill-201](http://www.parliament.vic.gov.au/.../2222-sex-work-and-other-acts-amendment-bill-201)

## Evolution

**M Omar Abyad**

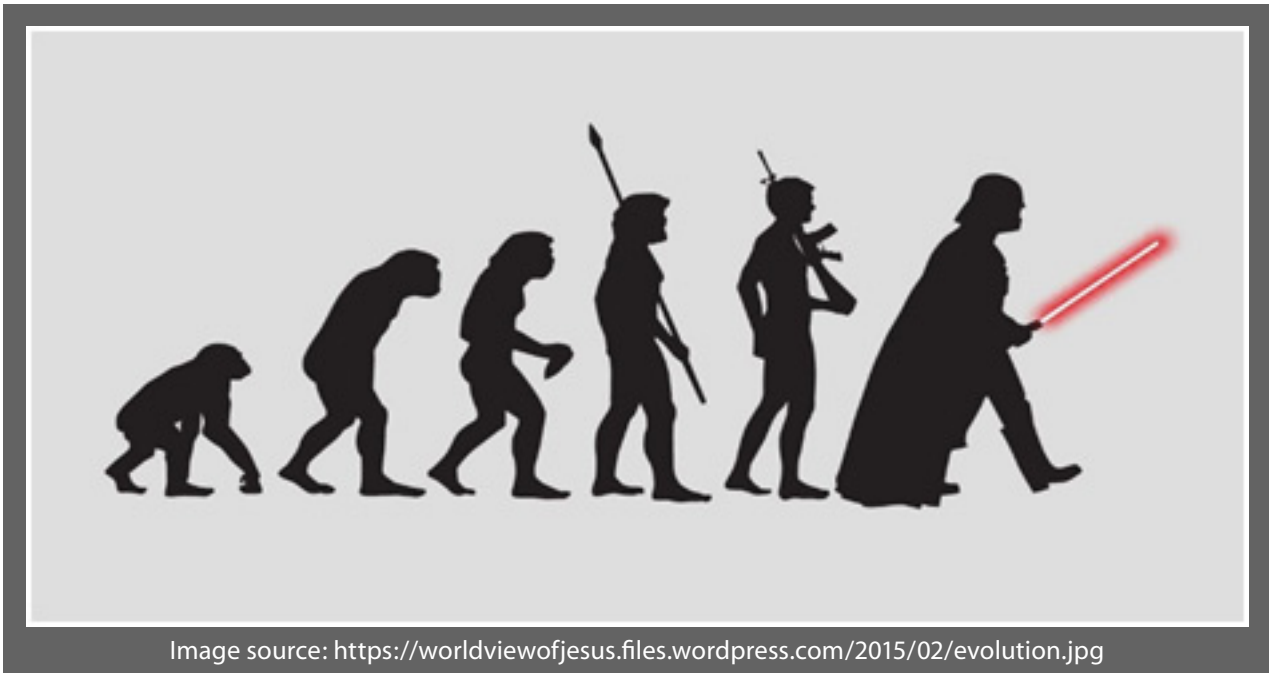
**Correspondence:**

M. Omar Abyad

Tripoli

Lebanon

**Email:** [oabyadkb@gmail.com](mailto:oabyadkb@gmail.com)



Usually things have a clear cycle. The process starts, goes on, it ends, it begins again, etc. But with evolution the “Normal” thinking process doesn’t seem to apply. By evolution I don’t refer to Charles Darwin or his theories. According to him, species ADAPT to environments, in other words they alter certain details in their genetic blueprints to enhance their capacity for life. Evolution is defined as altering the meaning and essence of one’s existence. Therefore, organisms are subjected to adaptation not evolution.

My concern is a thing of great importance to us humans. It is physical in that it has a predefined shape and size, we understand its structure and function and yet it creates what we cannot comprehend. It derives inspiration from its surroundings and yet it is able to create the unobservable. It is limited by its accessories and yet sees what an eye cannot, hears what an ear cannot, and feels what fingers cannot.

Many would say I speak of the human brain, but they are mistaken. The brain, by definition controls the physical aspects of our bodies and therefore can be thought of as a mere organ. I speak of something far more intricate in its workings. I speak of the mind. No one knows of the true workings of the mind, where it resides, whether it dies etc. But one thing is certain: it has driven man to greatness (and madness). As all things in

nature the mind evolves to empower its host. For example, take Legos. These most ingenious toys output physical representations of mental development within children who have only just begun to learn of the world and its workings. At first the child would build a small simple house with a door and a window. With time, he adds rooms, and gives the house dimensions quite similar to those in his own home. Then he will tear down the house to build a castle. Your creation now acts as a mind outlet, in which your mind will test the limits that physics applies on your blocks. And so, you will learn of your surroundings and alter your designs to accommodate them. At a young age, the world has already begun to impose its limitations upon your ability to wonder.

As is natural, before we delve into any subject we must specify the premises upon which we will base our assumptions. In his writings Henry Kissinger provides a brilliant definition of evolution applied to the masses as a whole:

Evolution proceeds not in a straight line but through a series of complicated variations. At every step of the road there are turns and forks, which have to be taken for better or for worse. The conditions governing the decision may be of the most delicate shading. The choice may appear in retrospect nearly random or else to be the only option possible under the pre-

vailing circumstances. In either case, it is the result of the interaction of the whole sum of previous turnings - reflecting history or traditional values - plus the immediate pressures of the need for survival.

To understand how we have evolved during the past few millennia, first we must understand the Principle that governs man's behaviour. Secondly, we must look at the timeline. We must look to our past and understand why we exist as we do, and why the times have led us to the state we reside in.

Mankind sees itself as the force that governs nature. We believe that science and knowledge have made us kings over the very land that feeds and nurtures us, but the fact that man could even consider himself above nature is proof of his inferiority.

Nature is kind to us, for it supports us and asks for nothing in return, and yet man belittles this great service and refuses to offer decency and kindness to that which has kept us warm and fed for many millennia. Nature is not embodied by trees, by meadows, or by organisms. Nature is the equilibrium. It is the sum of fire and water. It is the force that breeds life from death. It is the Immortal beauty men will never see, for the age of men will pass and it will endure with or without men. And yet man assumes himself king over a force he will not even outlive. The teachings of the Native Americans speak of harmony with nature, and of returning the kindness presented to us with our own. Those are the men and women we now consider to be illiterates and naïve, and yet we find that the knowledge they possess far eclipses that of the "learned". For the minds of these people are not limited by text books or by the laws of physics, and the other fancy laws we have fabricated. They are limited only by nature, and nature extends even beyond the universe.

The extent of man's evolution/degradation, becomes quite evident when we observe the process by which we now handle crises. Take Global Warming, and observe how men have dealt with the problem. We have spent the last 20 years trying to stop what can only be reversed. When an army invades your territory, you cannot hide behind your walls, and simply spread word of imminent doom. You must rally your men and hold your ground and strike back where it is necessary. This was how the men of old dealt with problems: they fought back. Now we need to refer to the law, and to governments to tell us what to do and when to do it. Well by the time these men decide to save the planet, there will not be one left to save. Global Warming can be solved in weeks, but governments and businesses will not commit their resources simply because this does not generate revenue. This is how we have evolved. From men and women of iron, steel, and conviction, are born the cowards that we call our leaders.

Men are weak, and strength will only come from our acceptance of this inevitable reality.

All around the world in Paris, Rome, London, Athens, Damascus, Jerusalem, Madrid, you will find the remnants of our Golden Age. Many would assume the 21st century is the golden age, but I say to those people, look around you. No one is

happy, no one lives with purpose, no one holds true power, justice is now a foreign concept, and the masses simply do not care anymore. The average American, citizen of the "greatest county in the world", spends his entire life sealing his debts, and so instead of being a productive entity, the man is now a simple number to be added to the yearly statistics. Every man, woman, and child is owned by some distant power, slaves to that power's bidding. In a few words George Orwell describes the "Golden Age"

War is Peace  
Freedom is Slavery  
Ignorance is Strength

This is how man has evolved. From civilizations that could build the pyramids, to generations that struggle with thought. Instead of increasing his capacity for wonder all man has done is drive himself to a time in which nothing matters. As we acquired more and more knowledge our minds became subject to more and more restrictions. Many historians point out the fact that the pyramids could not have been built by such a primitive capacity for tools. Here, Ignorance of limits turned to strength. Evolution and knowledge lead to greatness when we as a race take right decisions, and when we are prepared to accept the consequences of our decisions. Our actions must be directed toward certain objectives, for the greatest strategic blunder is to move simply for the sake of moving. Life was bestowed upon the human race not so that it may squander it, but so that it may use it to unleash the power bestowed upon the human mind.

**"If at first the idea is not absurd, then there will be no hope for it." Albert Einstein.**

# The New Human Universe

**Jim Anderson**

**Correspondence:**

J. L. Anderson

Saltspring Island, B.C.

Canada

**Email:** [sevenunion77@shaw.ca](mailto:sevenunion77@shaw.ca)

In the vast panorama that we call universe, every great once in awhile the endless and subtle rhythm, flux and flow mysteriously gives way to immense and astounding transformation. In huge scale mammoth systems are transposed and new, embryonic and unknown realities are born.

At such points of staggering transition what we have come to perceive and know in our daily lives as change reaches a crescendo of shattering magnitude that to the unpracticed eye resembles total chaos. Timeless and elemental truths, traditions and predictabilities are swept away. Stability evaporates and nothing customary, habitual and typical endures.

Other than by apparent chaos, such rare points of total transition are approached blindly and silently. There is no point of reference which is valid. It cannot be expressed in the terms and relationships of the old disintegrating dispensation which is being swept away. And the vague, embryonic nebulousity that is soon to be born defies translation because it has not yet been defined into conscious reality and its new language has yet to be spoken.

Such gargantuan disturbances are therefore always invisible on the surface and are only sensed intuitively and instinctively, in times of cataclysmic and overwhelming change. There is only one concept in our conscious reality that approximates such cosmic change. Something that changes absolutely everything on such a scale can only be perceived as a metamorphosis.

You and I today are approaching the invisible threshold of such a metamorphosis. No other contingency can explain the astronomical changes that are afoot in this world of ours. There is no other way to explain the disintegration everywhere of stability, order and harmony no matter where we look. We must begin to try to see the invisible design that is now being born and form it into expression never before synthesized. You and I have to start preparing not only for the oncoming metamorphosis of everything we have ever known, but for the uncharted universe that lies beyond.

If each of us were to look deep inside, into the center of our beings, we can feel this metamorphosis coming. It is still a subtle, unformed premonition floating on the edge of our consciousness, but we all can instinctively sense that we are destined for awesome and profound change. The hidden metamorphosis has already begun.

Such a terrifying and total oncoming change will test us and all humankind down to the very fabric of our beings. No one knows what lies beyond. We must begin to find a way to join hands and face this cataclysmic metamorphosis together.

In our world today the news is almost always bad. Nothing seems simple anymore. Things seem to be closing in on us from all directions. We can sense that somehow behind the scenes, sequestered and insulated atop monolithic and giant conglomerates, the supremely rich and powerful who now seek to control the future of all humankind are becoming more powerful each day. Yet, you and I helplessly watch the quality of life and the security of ourselves and our loved ones dwindling away despite all our efforts. The world shakily careens from crisis to crisis. We now accept as commonplace what only a few, short decades ago had been considered gruesome madness; deranged, grotesque barbarism and horrifying, ghastly atrocity. Chaos seems to be creeping ever closer. And there seems to be no sanctuary and escape for us, anywhere.

But, more than this, there is a hopelessness and fatalism spreading. Disillusionment and despair seem to have become a way of life. Things seem so out of control, and the powers that exploit and manipulate our lives seem so insensitive, and out of touch with our common lives. Nothing seems in human scale anymore. We seem to be swept away in a harsh, cold system that is designed to consume us and doesn't really care for or value us at all. We become hopelessly entangled and involved in patterns, decisions and policies that result in such terrible inhumanity, deceit, waste, pollution and suffering.

We try repeatedly to change things, to make our lives, our governments and our civilization more equitable, caring and more humane but no matter what we do the end result still comes out the same. We desperately seek to stop it but the cancer, the contamination, pollution and cold, brutal inhumanity filter through into everything we do. And it gets worse. No one can hide it anymore; our world is coming apart at the seams.

But beneath the surface, and in spite of this growing despair, exploitation and inescapable inhumanity there are many, many human beings all over this planet who still dream of a better way for humankind. Hidden almost everywhere are those who dedicate themselves and the time of their lives to uplifting and bringing together the vast potential of human life that cohabits our planet. They try to address the immense "problematique" we now face. They try to put a human face on



the brutal, inhuman systems of our world. They are reaching out to human beings all over the world who are suffering in agony, poverty, suppression, torture and merciless oppression. And although we cannot see it, their numbers are growing.

But at the center of this movement of ours, there is a critical ingredient that is missing. Those who manipulate, control and hold the sledgehammer of power over the masses in our world have at their focus and center a unifying cohesion in their outlook and essential philosophy. Common to them all is a defined and accepted primeval survival instinct. This time-honored and validated focus and intrinsic, fundamental vision serves to unite them. It is therefore always clear to them what course to take, and what must be done in our world to continue and consolidate their "New World Order", their hegemony and ultimate domination of the economic, political, social, moral, environmental and philosophical future of this planet we call Earth. There is no confusion or indecision. Their path and their common purpose are crystal clear and deeply visceral. "Conquer! Control! Win! Get to the top. Eat or be eaten!"

However, those of us who reach out for a different vision, who seek a more human, compassionate, communal, equitable and harmonious future for us all have no such intrinsic and unquestioned solidarity. Nothing so stark and well-defined unites us. We all operate in a vacuum of unfocused confusion, often even working in opposition and conflict with each other.

Why can we not find a new fundamental and undeniable focus around which we can truly join hands and work together in unison? Until we find that clear and unquestioned focus and an answer that effectively refutes and supplants the prehistoric world of "survival of the fittest" the more perfect world we dream of will never come to pass.

We must find a way to come together all over this precious planet of ours. All of us of different races, creeds, economic status and lifestyles all over this round Earth must find a way to share a common dream for humankind. We must all find away to focus our dreams and visions into a new global movement which will finally bring blessed change and metamorphosis to the despair, hopelessness, destructive waste and inhumanity of a desperate humankind. Those of us who dream of a new day and a path out of this insanity, inhumanity and savage, brutal barbarity must find a way to become one voice, one movement, one mind. When we do our synergy will be irresistible and that new world we all hope and dream and pray for will finally become a reality on Earth.

To do this not only will we have to join hands and concentrate on those things which bring us together and not that which divides us; we will have to expand the horizons of our consciousness. We will have to redefine what it means to be human, what it means to be alive, and what the true meaning and design of universe itself is. In short it is not enough to join hands together; we must raise ourselves and all humankind to a new level of awareness, consciousness and enlightenment.

To achieve this we must change the fundamental orientation and the elemental perspective of the human mind itself. We must re-

orient the parameters and the horizons of our minds. We must change ancient primeval greed, cold selfishness and raw brutality to compassion and sensitivity. To bring humankind into a new world community, you and I must bring about a metamorphosis of the human mind. We must change the way we think.

We will have to redefine and create this new future if we wish to live in it. To live in a radically different world, we all must begin to think differently in a new and radical way. The failings and shortcomings of the old human consciousness and the age-old primitive perspective of selfish, raw and instinctive survival must be transcended. Only then will we achieve what has never been done before in all human history. Only then will we live and grow and prosper in a world of peace. Only then will we be able to become one and turn our impossible dreams into magnificent and wonderful reality, here, now; in our lifetime.

It is time to see the universe clearly. We must begin to face the simple fact that our concept of what the universe means and what the meaning of life itself is are incomplete, erroneous and fundamentally flawed. Although our explanations of universe and the workings of Nature are complex and fade into obscure probabilities, uncertainties and relativities; the harmony and wonder of universe actually have a simple origin. What it means and why it exists are a mystery to us only because we see things incompletely. The flow, the rhythm and the cohesion result from a focus and a magnificence we have yet to realize, in a dimension we have yet to discover.

We try to piece together this wonder with the bits and parts we divine around us, but the creation and the structure we have built from those pieces has no innate and integral harmony and wonder within it. We live in a wondrous universe that flows all around and through us in undulating and endless rhythm and perfect harmony, yet the things we create and the civilization we live are a disintegrating collage of complex confusion, inhumanity and devastating disharmony. Any beauty and harmony we create are only superficial and temporary. We have yet to discover the true mystery and wonder of the universe we live in.

There is a fundamental focus to universe which we have yet to comprehend. In universe, somehow, everything is a part of everything else. There is nothing anywhere that is unconnected or apart. The direction, flow and growth in universe always follow the path of interaction; seeking to join, interrelate and belong. The purpose, destiny and meaning of all universe then is an absolute, irrevocable CONTINUUM where everything is constantly turning in upon itself, flowing sublimely and symbiotically towards ever more cohesive and interharmonious relationship. This is the hidden framework, function and form of universe.

Everywhere the only valid expression that characterizes universe is one of relationship; how things are progressing along this CONTINUUM in ever more synthesizing interrelationship. This is where the flow, the rhythm and the harmony of universe come from. Absolutely everything in universe is irrevocably involved in and an expression of this CONTINUUM. Nothing is

outside of this flow and there is nowhere in universe where this CONTINUUM does not truly form the sole focus and center of existence.

This flow and this CONTINUUM are presently beyond our comprehension. We cannot perceive it or express it in terms which we now use to form logic, order and meaning. But we can sense the validity and presence of this CONTINUUM in universe. You and I succinctly sense and indistinctly perceive this vital progression and CONTINUUM in universe as the flow of Time. This is how the human mind has obliquely accepted and interpreted this absolute inclination, this everywhere flowing and cohesive CONTINUUM. Human beings see and conceive of the CONTINUUM only with incomplete, defective and flawed vision.

The true path to meaning and reality in universe always follows the path of this CONTINUUM. Meaning and reality in universe ultimately always depend upon relationships; relationships between things. The true direction of growth, success and development always follows the path of interaction, seeking to join, and to become more closely associated. This is the only parameter in universe which stays the same. This is the center and the focus around which everything in universe revolves. All around us in unseen ways universe obeys this CONTINUUM.

The living human organism which you are is an ever changing form that maintains continual exchange and interface with environment. We call this flow "metabolism" and have elaborated the chemical equations and postulated the physical laws to explain it in our terms; but your organism, your body and your life can exist only so long as you are exchanging, interfacing and interrelating with your environment. If this interrelationship ceases, the life within you stops. Your reality and your vital existence depend solely upon the constant continuity of this movement and flow; upon your ever-changing metabolism; upon the ceaseless interaction; upon your subtle alignment, concordance and identity with the universal CONTINUUM.

Even the phenomenon which we call light, or electromagnetic radiation, exists solely to interrelate and connect things. Beyond the complex equations, theories and calculations the simple fact is that we only see light, and it only has existence for us when it reflects off something. It is invisible to us, until it does. We have no way of detecting it, or defining its existence without intercepting it, or interacting with it. Even the very light that fills our life with cohesion and radiance has value and meaning only when it connects things. It is only by interaction that it has reality and meaning. Here again, the secret CONTINUUM that governs universe is the center and flows all around us, undiscovered.

In scientific inquiry and theory for some time now the concepts of "relativity" and "mutual interaction" have been growing. The indefensibility of uniquely correct and objective interpretation of physical events has become an accepted tenet of Scientific Law. More and more the concept of interrelationship is filtering into our scientific picture of universe. Subtle and provocative interactions in physical events and the biosphere become more obvious, and isolated frames of reference disap-

pear into statistical probabilities and uncertainties. It is gradually becoming clear that the fundamental operative and focus no longer can be considered to be the free non-interacting thing but must instead somehow be composed of the "mutual interaction" of all universe. It is no longer valid or possible to observe or postulate an uncoupled event or entity in physical systems.

No matter where you look in every discipline of science any isolated, elemental region is sooner or later seen to be a seething microcosm of convoluted interrelationship and symbiotic, interdependently complex, constituent functions that somehow subtly synthesize into ever widening whole systems. What is becoming the prime focus in any argument are the relationships involved. What is insidiously filtering into our limited awareness is the tip of another universe: the hidden CONTINUUM that secretly orients all reality.?

Even the way we think and the way our minds function conform to and radiate from this CONTINUUM. The mysteries of the mind and the enigma of learning, knowing and memory are also intricately tied to this new universe and the CONTINUUM which guides all existence. The pathway of thought always follows chains of interrelation. We cannot think of "things" without forming them in terms of and relations with other phenomena and events. We are never aware of any object, event or figure except in relation to its background.

And to formulate more accurate perception and comprehension we always resort to changing the relationship between ourselves and the external object or event. We change perspective. Something which stays unchanging and remains absolutely constant relative to us without perceptible movement or interaction is difficult and often impossible to perceive. What we recognize is movement, difference and change. We depend upon change for understanding and perception; and change results only from interaction and relationship. The simple truth is that we only perceive by comparison, contrast and interaction and we think only in terms of relationship. Only by somehow placing ourselves in touch with the secret CONTINUUM of universe do we grow and achieve comprehension and understanding. Once again, unknowingly, we are conforming to and in accordance with the true inclination of all universe.

Humankind, then, exists in a synthetic and false reality oblivious to and ignorant of the prime focus and meaning of all universe. All of us are now in the process of changing course. We are beginning the metamorphosis of re-orienting and remaking our world. But to do this, not only must we accept the CONTINUUM as the ultimate inclination of all universe, we must begin to envision where this sublime, evolving progression leads. What is the purpose and destiny of this unceasing, everywhere universal progression?

Where is this secret universal CONTINUUM leading us?

The constant, eternal flow of interaction and interface which universe manifests beyond our limited comprehension is focused upon gradually reducing and "shrinking" the separation, isolation and fundamental BETWEEN that exists in universe. The more interactive, interrelated, and interharmonious uni-

verse becomes, the more synthesis, cohesion and unity there is. And, finally, in a dimension which we are now blind and oblivious to, this unstoppable CONTINUUM of all universe will finally eliminate all separation, isolation and BETWEEN in universe. By a process yet unknown, this inexorable flow of universe will one day cross the threshold and create a universe where there is no longer any BETWEEN. This total absence of any separation or BETWEEN will result in total, complete and perfect UNION.

Perfect UNION. Nothing left out. Nothing left behind, or outside of a perfect, flowing, all-encompassing synthesis. Absolutely everything in universe would be part of a magnificent perfection where there is no longer any BETWEEN. No discrete, separate or isolated elements exist, or have meaning any longer. Without separation or BETWEEN there would be no division, dichotomy or duality. Absolutely everything in essence would be involved in a total, organismic whole without separate parts. Without any BETWEEN in universe, what you are left with is total, perfect UNION. In such a universe "peace on earth" could finally become a reality.

The hidden CONTINUUM that now flows secretly through universe is therefore ultimately inclined towards a final elimination, somehow, of all separation and BETWEEN; and the sublime creation of total, perfect UNION in universe. The destiny of our universe will then one day pass a threshold beyond which a metamorphosis will bring about total, perfect UNION of all creation. Universe is the womb of total, perfect UNION.

This is where the flow, the harmony and the wonder of our universe is leading us; the final interrelating harmony, the destiny of perfect truth, beauty and perfect UNION. The oneness without any parts, the total, and perfect undismembered whole.

We are part of universe, like everything else. The surge, the CONTINUUM to UNION flows through us just as it flows through all other life forms. Just as it flows throughout all universe. This is the source of our eternal quest to reduce chaos to unanimity and to "know"; to reach across, communicate, "share" and "love"; and to somehow articulate perfect beauty and truth. There is only one perfection and one unanimity and that final destiny is total, perfect UNION of all universe. And this universe itself exists only to somehow create that total, perfect UNION.

Universe is the womb of UNION.

You and I cannot really see this CONTINUUM and the ultimate destination of all universe: UNION. Very dimly and obscurely we realize that somehow everything in universe is irrevocably interrelated and that boundaries we have depended upon for millennia to define order for us are insidiously transcended everywhere. Yet, we see a different universe than this continuous, inexorable flow to a one day perfect UNION. Our logical, rational and causal perspective cannot be formed into the concepts and parameters of this secret, unseen universe. It is a language yet unspoken.

Fundamentally, we have created and our human minds inescapably project into universe a reality of discreteness. Our human conscious reality is built upon the fundamental orien-

tation of "things"; objects, mass, elementary particles and distinct, linear and causal definitions.

We try meticulously and fanatically to interrupt the inexorable flow of universe and to somehow conform it into discrete, linear and hierarchical terms. We try to isolate elusive centers and foci which direct and control phenomena. Always we attempt to dissect the flow of universe into discrete, calibrated and quantified parts and shutter-by-shutter, stop-time pieces.

We have attempted to describe elegant and succinct scenarios of the continuous vs. discontinuous, wave vs. particle or monism vs. duality nature of universe. But we fail to reduce universe into unified theory. Universe remains a mysterious harmony beyond the grasp of our analytical reason and logic. Our linear, hierarchical and chronological framework of space, time, mass, energy and equality are not the true representation of universe. We must now recognize that the universe does not conform to or radiate from our discrete-centered syndrome of meaning. Meaning does not come from isolated, discrete centers, or nuclei, but from the whole ensemble and consummate inclination of universe itself.

It is not the discrete pieces which truly matter. What really matters is how things somehow come together to form a whole, a unity. This is the whisper of CONTINUUM and UNION in universe which we, from our reality of discreteness, have yet to hear.

The simple truth is that the secret, universal CONTINUUM cannot be broken into pieces or dismembered into distinct parts. It cannot be expressed in terms of discreteness, linearity or hierarchy. It can only be approached in a higher dimension, beyond the primitive consciousness of discreteness. The only path to such a dimension is the path of metamorphosis. There is no other relation. Such huge transitions are a birth point beyond which nothing will ever be the same again. They defy translation. They are essentially beyond imagination. They only approach from the instinctive and blind regions of faith and belief.

This huge metamorphosis lies ahead of us all. We are destined for magnificence. We are destined, along with all universe, for UNION.

To take our first real step towards that threshold, and to verbalize the first tentative sounds in that secret, unspoken language of UNION we must realize that the discreteness which we now project everywhere in universe, and have constructed our logical, linear and hierarchical world upon does not truly exist in universe. It is a mirage. In fact, in all universe there is only one region where this false reality of isolated and separate discreteness has domain. Discreteness exists only in our minds. There is no discreteness anywhere in universe except in the thoughts and consciousness of human beings, like you and me.

And the real reason why the human mind has erroneously projected discreteness out into universe and why we have primitively composed a complex, conscious reality derived from this fundamental discreteness is because of the isolated

and separate lives we all lead. The unknown "self" and the private world of "solitary one" we all know viscerally as our distinct lives and our insular "living experience," that no one ever really shares with us, is the genesis of this profound, primal and prehistoric error.

Because we live in an insular, separate reality of our own distinct lives, and cannot truly "know" and live other existences beyond our isolated reality, we extrapolate this fundamental and primitive reality outward into a universe of absolute discreteness everywhere.

This is the lethal ignorance that is now destroying our world.

And, this is where the source and the intrinsic reality of the fatally flawed consciousness of discrete essence began. And it began eons ago in dim, prehistoric consciousness. From this hidden and primal source our whole civilization and conscious awareness of a discrete-centered universe is radiated. The source of all our astronomical modern problems is therefore rooted deep within the primal center of all of our beings. In this sense, then, the human mind is still anchored in prehistoric chains.

But, following the flow of the true CONTINUUM of universe, somehow it must be possible to synthesize this prison and the chains of "solitary one" outward and to share the isolated, "living experience" of life itself. Somewhere in the way we share things, experience commonality and crudely, primitively communicate our special, secret "solitary one" selves to each other lies the key that will unlock the door and enable us to "share" life in another universe: the embryonic universe of total, perfect UNION. Through that door lies the ability to feel, live and experience other lives and other species as completely and viscerally as we now know and feel our private, individual and discrete worlds of "solitary one".

When that metamorphosis occurs we will be able to transcend our limited vision of discreteness everywhere in universe, and embrace the hidden universal CONTINUUM to perfect, total UNION. Humankind will have finally taken wing and the agonies of our troubled and lonely world will not even be a distant memory as we soar into the magnificent beyond.

We must begin to totally change our world into a truly global civilization. To do this the discrete-centered consciousness of accumulating "things" and "self" aggrandizement with its accompanying destructive and dis-Unifying emotions of greed and exploitation, and the logic of the success of the few at the expense of the many must end. Thousands of years from now the only things we do that will matter are those which bring us together and not those which divide us. We have to somehow transcend ancient walls and boundaries of fear and reach out for one another, everywhere.

To survive into the future humankind must rise above the old primal consciousness and find the hidden CONTINUUM and the secret heart of UNION among us all. There is no other way. We must find the pathway. We belong together. We must evolve a new way to think. Our life force on this Earth must evolve into a new species, where "life" itself can be shared.

To finally leave that stark and savage primitive consciousness behind, we must begin to understand that what we see as distinct separation in universe is not separation at all. In the true picture of universe what you have is an abiding, overall, unstoppable flow to UNION that is present everywhere. However, this flow is, in our present universe, as yet unfulfilled, and unconsummated. The perfect, total UNION which the CONTINUUM is irrevocably directed towards does not yet exist in universe.

In other words, the potential for this oncoming UNION exists now in universe, but the capacity to finally create this final synthesis of total, perfect UNION is yet unborn. It is that unborn UNION, or that incapacity, which we human beings perceive as BETWEEN, or separation in universe. We confuse distinctness, disjunction and discreteness with what is actually just a temporary lack or incapacity. What we see as "things", objects or mass in universe are, on the large scale, actually temporarily separated Potentials for Union that as yet have failed to become absorbed into perfect, total UNION of all universe.

Similarly, we are in error about what we perceive as the fundamental opposition in nature. The positive vs. negative, light vs. dark or life vs. death composition of universe which we have defined is wrong. Instead of elemental opposition in universe, what you really have is the everywhere potential for UNION (or CONTINUUM) on the one hand, and the accompanying incapacity to finally create perfect, total UNION (or BETWEEN) on the other hand. These two parameters are not in fundamental opposition. They define the elemental nature of relationship that persists everywhere in universe and are inescapably linked together. In fact, they are merely mirror images of the same fulminating universe. A universe which is actually the womb of UNION and is in the process of creating a perfect, total UNION must be composed of both these two components. They are two inseparable halves of the same whole process.

This is why in nature a north and a south pole always occur in pairs, together, and one cannot be present without the other. This is the reason that any opposition which we incorrectly perceive in universe cannot be expressed separately or dismembered from one another, but is always a property revolving around and a function of the interrelationship of them both.

And finally, it is important that we recognize the fundamental way that this CONTINUUM of universe would appear or manifest itself. The correct picture of such a universe can be described as a continual, everywhere progression and flow towards UNION that ultimately must reach a limit (which is actually the present incapacity or inability to create perfect UNION, i.e. the BETWEEN). This flow then turns into its mirror relationship, which we perceive as flow in the opposite direction, or a retreat. This retreat, because of the all-pervasive CONTINUUM, must eventually become re-oriented and directed once again towards UNION, and therefore the cycle will begin again. This primary cycle is the simplest and most rudimentary form which all universal phenomena can be expressed in, and truly understood. This fundamental cycle will repeat and persist eternally until finally in a dimension we do not yet comprehend a hidden threshold will be reached and surpassed, and



total, perfect UNION will be born to all universe.

This elemental and basic cycle directly translates into and is the source of the Enduring, Faithful, And Rhythmic Harmony (EFRH) of universe which exists everywhere, and which forms the basis for the predictability of universal phenomena which we have established and depend upon. This fundamental EFRH is the template upon which all "organismic" biosystems, "Gaian" harmonies, universal stellar and solar machinations and the physical attributes and characteristics of atoms and all mass itself are propagated. This is the bewitching harmony which runs through the songs of rhythm that interweave all our existence into a beautiful and wondrous universal symphony. And the motion, conflict and interaction we now see everywhere in universe and call "energy" actually conceal the true and imperceptible fulmination towards UNION that is occurring in an unsuspected dimension at the interface of Potential for UNION and BETWEEN throughout all universe.

Look around you carefully at the symphony of nature and the magic and mystery of the flowing magnificence of life and universe splended all around us...everywhere. We are surrounded with beauty and perfection.

Universe is the womb of UNION.

This then is the raw framework, and the focus around which we can create a new human consciousness, and a more perfect human civilization. With this newfound vision you and I can join hands towards a clear, magnificent and vibrant future for all of our children.?

In the world of discreteness you and I now live in it is quite logical to focus your consciousness upon "self", to seek, acquire and collect "things" to help define your domain, and to believe in the ultimate validity of separating the universe into "us" and "them" and to defend these illusory islands of discreteness from a foreign, unknown and hostile universe with brutal and wretched violence. Such a picture describes the cold and barbaric modern world you and I now struggle through. But the logic that defines this world is no longer valid. We now can change course and change our world. It is just a matter of stepping into a new vision of universe and then using that vision to transform and to construct a totally new civilization and a new, unlimited future for us all.

We finally have an answer to those whose existence depends upon and is derived from a primal and prehistoric survival instinct and a universe where only the strong survive. We can now see in indelible and crystal clear language why those who exploit others and put themselves and their hierarchies above the common good are truly out of the flow of universe and are destined to be swept away with a primitive reality that is doomed to disintegration. We all must join hands to seek this CONTINUUM together and no one can be left behind. It is no longer valid for anything or anyone to succeed at the expense of others. No longer are there any special chosen elite. We can only reach this UNION together, not individually. No longer can the human mind and the human species confidently subjugate and exploit other species, and manipulate and defile the secret natural order of universe with what we can now recognize to be such a fatally flawed consciousness and a gross, abomina-

ble ignorance of the real truth and meaning of universe, itself. Any selfishness, aggrandizement or exploitation in our world are mutant aberrations from the primitive world of "solitary one" and will one day soon end. The true potential of what human beings could be, and what true co-operation based on a common will towards UNION without fear of exploitation or "servitude" could become will finally transform this frayed and fractured planet into a Unified and wondrous whole for the first time.

Those who now rule humankind and take dominion over human lifetimes on Earth do so from the flawed perspective of "solitary one" and a consciousness focused upon a world of discreteness, everywhere. To survive and rise above that selfish, savage world they have had to make a terrible bargain. They use the cold, calculating logic of treating human beings like empty, non-existent, foreign "things". They are always looking out for "number one", never sharing with or trusting anyone, hiding all weakness, sensitivity and need within, and isolating themselves behind walls of pain. The material rewards and power you can win with this cold, brutal bargain can be awesome, but what you lose is priceless. The cold, calculating logic brings phenomenal success, but it also suffocates the ability to reach out and enjoin the flow to UNION that truly vitiates all universe. And the lack of being in that flow slowly and tortuously crumbles them from within. And more and more even the fabulous wealth and staggering power cannot truly be enjoyed because there is no sanctuary that will be safe from the shattering instability and raging chaos of a disintegrating civilization.

It is time to find a better way. We must recognize that the savage brutality of our world derives from a mindless and terrifying fear for survival. But that fear and the brutality it causes once again stem from our flawed primal perspective and incorrect interpretations of what is the fundamental reality of universe.

The terror and the savage rage which the fear for survival brings is real. You and I can feel it. In the consciousness of discreteness and in the world of "solitary one" it is a stark and terrible reality for us. But to carry our world beyond the tragic, insane and brutal inhumanity which this rabid fear for survival creates, we must see it from a totally new perspective. We must somehow place it in terms of the universal CONTINUUM to UNION if we are going to escape the "fight or flight! Kill or be killed! Eat or be eaten!" madness that has stalked our civilization even into the 20th century technological world of space-age wonders. What is the true origin of this deep, instinctive fear for survival? What could elicit such a wild terror in a universe where the ultimate truth and meaning of everything radiates from an all-encompassing everywhere flow towards eventual and perfect, total UNION?

If all universe were to revolve around this CONTINUUM and all meaning, orientation and reality were derived from within the direction and flow of that CONTINUUM, then the only plausible eventuality that could bring about such naked, destructive terror would be to somehow find yourself outside of that omnipotent flow; unable to find your way back in, and forever lost.?

This is exactly where the source of the wild, animal bestiality and rage we call the "survival instinct" comes from. In the true CONTINUUM of universe, nothing is ever truly outside of that all-pervasive flow to UNION. But you and I, and all humankind since prehistory, live in a reality erroneously defined by discrete essence and "solitary one". We do not clearly see and accept universe to be a CONTINUUM. For us there are finite boundaries everywhere. All reality consists of discrete essences (which actually are mirror images of "solitary one", our isolated, living experience). And, in linear dimension, everything is therefore confined to rigid, defined and calibrated existence. Consequently, there has to be a beginning and an end to define everything.

Secretly our universe and our existence flows over and beyond all our logical constraints and definitions, but our primitive consciousness cannot truly follow that flow beyond the parameters and limits of discrete essence. We cannot now escape that umbilical cord and those prehistoric chains. Therefore, for us, the contemplation and the image of the end of life, the final disjunctive and temporal death of our living, discrete focus of "solitary one" constitutes a fundamental and irrevocable break in the continuity that is universe. This irrevocable break is an abyss from which we cannot logically and consciously return.

The blind, irrational rage this scenario unleashes is then actually directed towards somehow, from our warped perspective, maintaining our contact with and identity within the source of all meaning and existence: the CONTINUUM to UNION. From our primal and fatally flawed consciousness we see death as being cut off from the continuity that is universe, forever lost. And that terror of the Primal Fear surrounding this ignorance is there to drive us, and force us beyond the stark unknown into a new way to be human on earth.

We must reach a more mature and evolved perspective of this savage terror. There is nothing wrong with that desperate need to belong and stay in that flow. We just erroneously interpret it into terms of discreteness that are fatally flawed. It is our ignorance in trying to preserve our false illusory reality of discreteness and "solitary one" that results in such disastrous and tragic inhumanity and insanity.

If we were to be able somehow to transcend that primitive fixation and fatal ignorance we would see and believe that nothing ever truly ends, and all changes in universe simply mean becoming joined with something else in ever more perfect realignment towards ultimate, perfect UNION.

However, you and I cannot yet so escape that primal prison into a more evolved, higher consciousness. But, at least now we can recognize and begin to see universe in terms of a CONTINUUM to perfect UNION, if we try. That step is the beginning of the answer, and the path into a new golden age for all our children.

In the grand saga of the ages, our human life force will one day open the door into a new way to be human on this earth. In that sublime evolution, somewhere in the future, human beings will cross that Rubicon, and learn to "share" life itself. And

a new human species will walk on this earth in a new human world.

By learning what it is like to feel, experience and "live" another life, human beings will escape the prison of discreteness and "solitary one" and discover instead a perspective of universe beyond our fatal primitive ignorance. From the multidimensional and metamorphic awareness of another life, they will begin to evolve into and embrace the "Whole" and the Unity of universe. Freed from the primitive obsession of the part and the piece in a universe fatally centered upon discreteness, they will then conceptualize a new universe, "beginning again, in a different way."

From that transcendent and evolved mindscape, new solutions to our tragic and disintegrating modern world will take shape and form in a new human consciousness. We will finally and forevermore comprehend and belong in the magnificent CONTINUUM that universe is. We will begin at last and finally to climb out of and beyond the primal fear of death that has haunted and terrified humankind since the beginning when the prehistoric human mind climbed out of the shadows and the primitive platform of logical, rational and critical thought began. And those evolved new humans forevermore will never live in fear again. We will have evolved into a new human species on this planet. And we will survive.

If we are to journey among the stars let us truly go there with universal minds. We must begin to resonate to the underlying flow and harmony of all universe. To survive into the future we must leave a primitive and prehistoric mindset behind and see the universe in an entirely new light. We are part of a universal CONTINUUM that is destined for perfect, total UNION of all existence. That CONTINUUM surrounds us everywhere. It is in the rhythm of the waves, the passage of the seasons, the procession of the stars and the planets, and the saga of life, death and rebirth.

We all sense within ourselves that our human world is on the wrong course, that things are not as they should be. That something is terribly wrong. We all feel and know this deeply. The problem is that we have not been able to discover any way to derail a world charging towards oblivion. We have been helplessly carried along with deadly inertia, unable to rein in a runaway juggernaut and guide it towards a new star. Up until now we have been unable to find that star. Now we know. That star is UNION. Now our careening, insane world can be headed. Now we can look to a new future, with hope for us all. We can form a new civilization of human beings who are not afraid of difference, who truly care for each other, and who are one with universe along the magnificent CONTINUUM to one day, unimaginable UNION.

We are destined for magnificence.



## Slavery and ran away to freedom

Ebtisam Elghblawi

